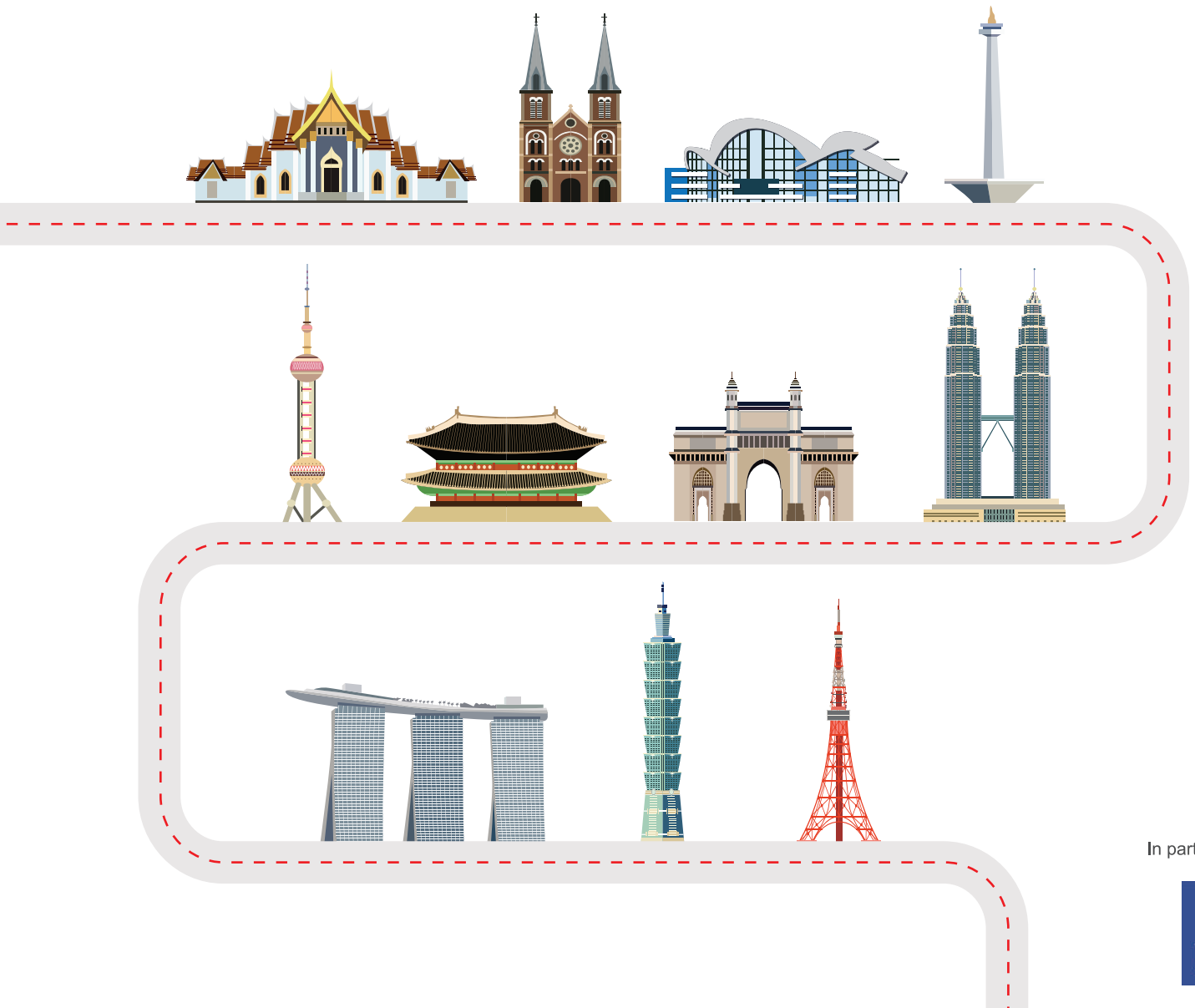
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POWERING THE FUTURE OF HONG KONG

The Asian Cities Internationality Index 2026



In partnership with

Ipsos

PREFACE

Asia's rise is reshaping the global economy, and Hong Kong stands at the forefront of this transformation as one of the region's most international and connected cities, supported by an open business environment, world-class connectivity, and a deep pool of international talent.

The Asian Cities Internationality Index (ACII) 2026, developed by the Hong Kong General Chamber of Commerce (HKGCC) in partnership with Ipsos, provides an independent and transparent benchmark across 11 major Asian cities to assess internationality and preserve year-on-year comparability. Building on the inaugural 2025 edition, the 2026 Index retains a consistent framework while refining indicators and strengthening city-level data, enabling more precise measurement of how cities are evolving.

A key highlight of this year's results is Hong Kong's consolidated strength across all seven dimensions and its broad year-on-year improvement, including a stronger performance in Innovation and Ideas. This reflects gains in its startup ecosystem, research collaboration, and ability to attract international talent, complementing its longstanding advantages in finance, trade, and connectivity and marking its transition from a transactional hub to a centre for ideas, technology, and high-value services.

The ACII is designed not just to rank cities, but to shape policy priorities, guide business decisions, and encourage cross-city learning. As Hong Kong's oldest and largest business organisation, HKGCC will use the ACII as a platform for practical dialogue among governments, chambers, corporates, and academia across the region. We aim to turn these insights into collaborative actions that strengthen Hong Kong's super-connector role and support Asia's broader contribution to global prosperity.

We are grateful to the Steering Committee, research partners, and participating executives for their contributions, and we hope the 2026 ACII will stimulate fresh dialogue and concrete action to reinforce Hong Kong's international role.



Jacob KAM

Chairman,
Hong Kong General
Chamber of Commerce



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Chief Executive Officer,
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EXECUTIVE SUMMARY

Building on the momentum observed in 2025, the 2026 Asian Cities Internationality Index (ACII) applies the same assessment framework and seven dimensions used in the previous year. This consistent approach enables a clear observation of actual trends in how the 11 Asian cities are strengthening their international profiles. This divergence is reflected in their overall internationality performance, with cities pursuing coordinated improvements across multiple dimensions showing more noticeable progress compared with those that have not. While Hong Kong and Singapore continue to anchor the top of the rankings through institutional strength, global connectivity, and talent ecosystems, the real story of 2026 lies in the accelerating divergence across the region. Cities that treat internationalisation as a coordinated, multi-dimensional strategy — rather than relying on a single strength such as cost or scale — are pulling ahead. Those that do not risk falling behind in an era of geopolitical shifts, supply-chain reconfiguration, and intensifying competition for capital and talent.

2026 City Performance Overview

Hong Kong and **Singapore** continue to stand out as Asia's top international cities. **Hong Kong** retains the leading position, demonstrating strength in Business and Economy while maintaining a well-rounded performance across other dimensions. The results reaffirm the city's role as a premier global financial and business hub, supported by strong infrastructure, connectivity, and institutional depth. **Singapore** follows closely in second place, bolstered by its diversified talent pool, efficient governance, and position as a key platform for global commerce and dialogue in Asia.

Seoul and Tokyo form the next tier. **Seoul** delivered one of the strongest performances in 2026, advancing to third place through broad-based gains in Quality of Life, Innovation and Ideas and Cultural Interaction. **Tokyo** slipped to fourth, its traditional strengths in governance, stability, and corporate scale tempered by softer perceptions around openness, diversity, and cultural vibrancy.

Shanghai, **Bangkok**, **Kuala Lumpur**, and **Taipei** are next in line. These cities are actively differentiating themselves through distinct competitive advantages. **Shanghai** continues to lead in Innovation and Ideas, driven by its vibrant ecosystem and concentration of unicorns. **Bangkok** has strengthened its position through tourism magnetism and improved business fundamentals, while **Kuala Lumpur** benefits from strong Human Capital Diversity and cost competitiveness. **Taipei** recorded meaningful advances in Quality of Life and Business and Economy. Although these cities have made notable progress, further headway in talent depth, innovation commercialisation, and regulatory openness is needed to realise their full potential.

Mumbai, **Jakarta**, and **Ho Chi Minh City** demonstrate resilience and self-reliance. **Mumbai** achieved the most significant ranking improvement, climbing two places to ninth, supported by gains in Innovation and Ideas, infrastructure, and liveability. **Jakarta** and **Ho Chi Minh City** remain more domestically oriented, with substantial room to enhance global connectivity and move into higher value functions. These cities are well-positioned to benefit from ongoing geoeconomic shifts, provided they address key structural constraints.

2026 Dimension Performance Overview

Business and Economy assesses economic openness, capital market depth, and the ability to facilitate business and investment flows. The 2026 results show that meaningful progress increasingly depends on coordinated improvements across multiple areas rather than isolated advantages. While Hong Kong, Singapore, and Tokyo maintained strong positions through structural strengths, Taipei and Bangkok recorded notable gains, whereas Jakarta declined. These movements indicate that international business attractiveness is shaped by the overall coherence of a city's economic ecosystem. Looking ahead, the reconfiguration of global trade flows is creating new opportunities for cities that can connect emerging and established markets, while rising costs and regulatory complexity are placing greater pressure on cities to differentiate themselves through integrated strategies.

Quality of Life evaluates liveability, cost of living, public services, and sustainability. The 2026 results indicate that economic scale and dynamism alone are no longer sufficient to secure long-term international competitiveness. Cities that translated long-term planning into measurable improvements in daily liveability and lifestyle vibrancy strengthened their positions, while those facing affordability pressures or infrastructure bottlenecks saw relative erosion. Looking ahead, cities that treat liveability as a strategic outcome — deliberately designed and continuously improved — are better positioned to attract and retain international talent.

Infrastructure and Connectivity measures both physical infrastructure and soft connectivity, including information exchange and intellectual collaboration. While physical infrastructure across leading cities remains highly advanced, the 2026 results show that future competitiveness is increasingly determined by the quality of information ecosystems. Bangkok recorded strong gains supported by improved digital infrastructure and information accessibility, while Taipei experienced softer perceptions regarding knowledge sharing with regional markets. Looking ahead, cities that successfully integrate hard infrastructure with advanced digital and information connectivity are likely to gain an advantage as regional linkages deepen.

Innovation and Ideas assesses research strength, startup ecosystems, and the capacity to translate innovation into commercial outcomes. The 2026 results reveal an accelerating divergence among Asian cities. Shanghai has established a clear lead through its ability to attract international research talent and generate a high concentration of unicorns, while Seoul and Hong Kong advanced through substantial government support. In contrast, Singapore saw some erosion in its relative position amid rising talent costs. Looking ahead, the gap between leading and emerging innovation hubs is expected to widen based on their capacity to combine research depth with efficient pathways from innovation to commercialisation.

Human Capital Diversity evaluates the breadth and quality of talent pools, educational institutions, and policies supporting international talent. The 2026 results show that competitiveness is increasingly shaped by the effectiveness of talent pipelines, attraction policies, and family-supportive infrastructure, rather than universities and foreign worker ratios alone. Mumbai recorded notable gains, while softer perceptions around talent development contributed to a decline for Ho Chi Minh City. Looking ahead, cities that integrate top-tier education with agile immigration frameworks and livable, family-friendly environments are likely to strengthen their ability to attract and retain diverse, high-calibre talent.

Cultural Interaction assesses tourism, events, cultural infrastructure, and openness to diverse cultures. The 2026 results highlight that success is increasingly determined by a city's ability to combine scale with perceived openness and high-quality visitor experiences, rather than heritage and infrastructure alone. Bangkok and Seoul made notable progress through vibrant cultural offerings and growing event-hosting capabilities. Looking ahead, cities that can integrate hard infrastructure with cultural inclusivity and authentic engagement are likely to gain an advantage as competition for international visitors and events intensifies.

Government and Legal System for Business evaluates institutional quality, legal predictability, regulatory efficiency, and digital governance. The 2026 results underscore that these factors have become important differentiators in attracting and retaining corporate operations. Tokyo continues to lead, supported by a trusted judiciary and comprehensive digitalisation of legal processes, while Singapore and Hong Kong maintain strong positions through sustained institutional excellence. Taipei recorded an advance through targeted legal and digital reforms. Looking ahead, continued improvements in governance transparency, regulatory efficiency, and legal predictability will remain important for strengthening a city's appeal to international businesses and talent.

01 INTRODUCTION

1.1. Project Background

The Asian Cities Internationality Index (the "ACII" or "Index") offers a comprehensive assessment of the international development and global connectivity of Asian cities. Building on the 2025 edition, the 2026 Index continues its core mission: rather than focusing solely on direct comparisons or rankings, it is designed to catalyse meaningful dialogue among governments, urban leaders, businesses, and communities, thereby fostering collaborative development across the region.

By illuminating each city's distinctive strengths, weaknesses, comparative advantages, and emerging opportunities and potential challenges in relation to internationality, the ACII encourages cross-city learning and drives collective progress towards sustainable, resilient, and inclusive urban growth.

This report also maintains a strong forward-looking perspective, exploring the evolving role and purpose of international cities in a rapidly changing world. It examines how these cities can anticipate and embrace the latest technological advances, global trends, and strategic opportunities to strengthen their international standing and contribute meaningfully to the global community. As the 2026 edition of the framework, this update builds on insights and feedback from the inaugural year. It seeks to deepen constructive conversations, welcome a broader range of perspectives, and lay a stronger foundation for a shared regional vision of progress, while remaining open to continued input and refinement.

1.2. Research Approach Summary

The evaluation of the city uses a rigorous, standardised methodology grounded in a robust framework developed through literature reviews, expert interviews, and executive surveys.

This framework comprises seven dimensions, 28 sub-dimensions, and 119 indicators, carefully selected to assess each city's performance across these dimensions. Data collection integrates hard data from authoritative sources, including government statistics, corporate reports, research institutes, and private databases, alongside soft data from an online survey conducted in Feb. 2026, involving 100 senior executives from each of the 11 selected cities, namely Bangkok, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Mumbai, Seoul, Shanghai, Singapore, Taipei, and Tokyo. The hard data reflect the city's fundamental parameters, while the soft data represent people's perceptions and expectations of the city.

The weighting of the seven dimensions was determined through literature reviews, expert interviews, and executive surveys. Equal weight is applied to the sub-dimensions within each dimension, and to the indicators within each sub-dimension. The data standardisation method and index computation align with best practices adopted by the leading research institutes (see 5.3).

To complement the quantitative analysis, we conducted over 10 in-depth interviews with senior executives across the selected Asian cities. These interviews provided deeper insights into each city's strengths and weaknesses, as well as their perspectives on the qualities that define a truly international city today.

1.3. The Conceptual Model for An International City

A city's internationality is reflected in its ability to engage with the global network, fostering dynamic exchanges across business, human capital, innovation, and culture. Amid growing disintermediation worldwide, this conceptual model highlights a city's role in aggregating global resources and driving progress, creating value across the economy, technology, and culture. Truly international cities are influential leaders, shaping contemporary global trends and advancements. Based on this definition, the core attributes of an international city are as follows:

Stability and Scalability

This attribute underpins a city's sustainable development. It encompasses a stable economy, effective city governance, a robust legal system, and a high quality of life—key factors in attracting and retaining people and businesses. These elements enable the city to grow, adapt to change, and manage risks effectively.

Global Interconnectedness

This attribute encompasses the infrastructure, policies, and institutions that enable seamless connections among businesses, ideas, capital, and talent. It positions the city as an international hub that communicates and collaborates with the world effortlessly and efficiently. Interconnectedness with emerging markets underscores an international city's capacity to tap into new opportunities.

Richness and Openness to Resources and Ideas

This attribute highlights the diversity and abundance of resources, including human capital, financial capital, culture, and technology. Additionally, the city's openness to new ideas and thoughts fuels innovation and creativity, driving continual development.

Value Exchange and Influence

This attribute reflects the outcomes of the aforementioned attributes, delivering both tangible benefits, such as economic growth and advancements in research and innovation, and intangible benefits, such as cultural exchange and political influence. An international city aligns closely with global priorities and serves as a pioneer in driving change for collective progress.



1.4. The Evaluation Framework

The ACII 2026 Figure 1, takes a holistic approach, recognising a city's international attributes through seven interconnected dimensions. By exploring these dimensions, we can better appreciate the complex factors that shape a city's international character and its ability to thrive as a global community.

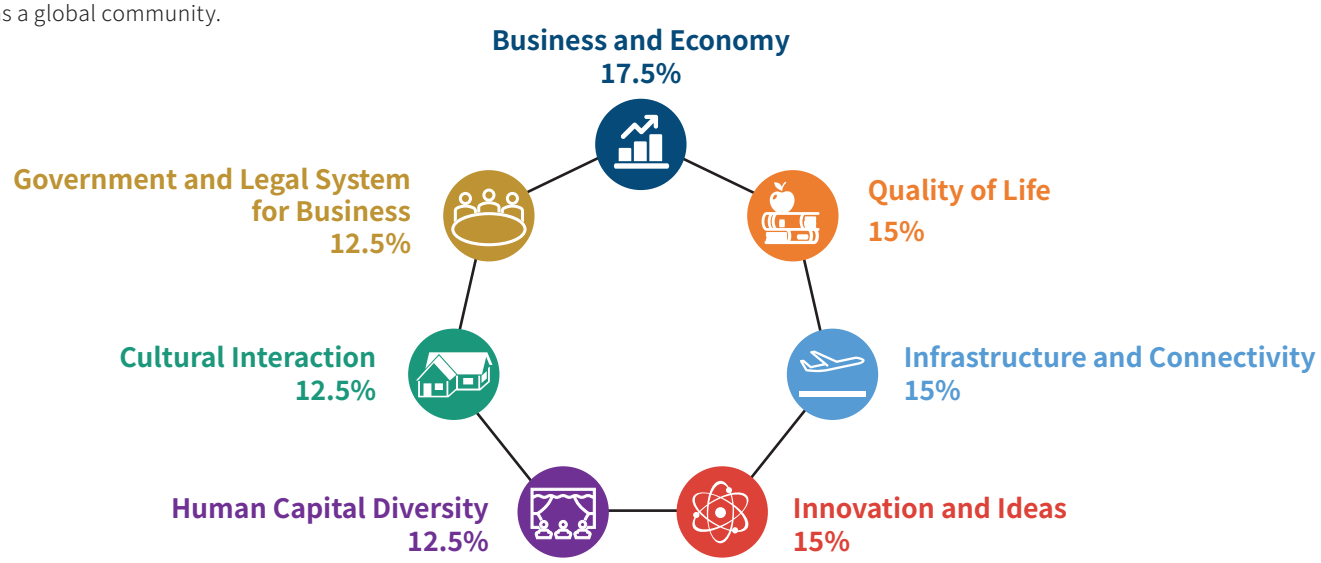


Figure 1 The Asian Cities Internationality Index Framework

Business and Economy

A strong economy is the engine that drives an international city, attracting investment and fostering growth. This dimension evaluates a city with strong economic foundations, supportive policies, and an open environment to facilitate the flow of business and investment opportunities.

Quality of Life

Residents' well-being and satisfaction enhance a city's international appeal, attracting foreign talent and visitors. Factors such as livability, safety, cultural amenities, and accessibility of public services determine a city's ability to attract and accommodate international communities.

Infrastructure and Connectivity

Robust infrastructure forms the backbone of an international city, enabling the smooth and efficient movement of people, goods, and information across the globe. This dimension evaluates a city's transportation systems, technological networks, and ability to connect people, capital, commodities, and information freely and efficiently.

Innovation and Ideas

An international city embraces open culture, encourages collaboration without borders, and translates diverse and multicultural perspectives into groundbreaking solutions for the world. A city's capacity for innovation is reflected by its vibrant ecosystem, commitment to research and innovation, and receptiveness to forward-thinking ideas.

Human Capital Diversity

An international city is inherently a melting pot, nurturing a diverse human capital that fuels innovation and strengthens resilience. This dimension measures a city's human capital diversity by assessing education competitiveness, talent magnetism, workforce diversity and an inclusive environment.

Cultural Interaction

Cultural interactions foster understanding and collaboration across ethnicities and borders. This dimension reflects a city's ability to foster cultural exchanges through tourism, events, facilities, and openness to varied cultures and traditions.

Government and Legal System for Business

An international city aligns with global agendas and shares worldwide development. Stable governance and a robust legal system are essential for building trust and attracting global partnerships. Active participation in international affairs will further exert its influence and inspire worldwide development.

1.5. Optimisation of the Evaluation Indicator System

The Asian Cities Internationality Index adheres to the guiding principles of science-based design, simplicity, data comparability, and practical guidance. Building on the robust evaluation framework established in the 2025 edition, the 2026 Index incorporates targeted refinements to selected indicators under several dimensions. These adjustments are designed to optimise measurement accuracy, strengthen the reliability and validity of the overall indicator system, and better capture the evolving drivers of the city's internationality. The specific adjustments in Table 1 are as follows:

Type	Area	Indicator	Rationale
New Hard Data Indicator	Dimension 2 Quality of Life	Urban Green Space Coverage	The Urban Green Space Coverage indicator reflects a city's commitment to environmental sustainability and resident well-being.
	Dimension 2 Quality of Life	Traffic Congestion Level	The Traffic Congestion Level measures urban mobility efficiency.
	Dimension 2 Quality of Life	Metro/Rail Network	The Metro/Rail Network indicator assesses the development, accessibility, and capacity of public transportation infrastructure in the city.
	These additions underscore the growing recognition that livability is a key driver of a city's internationality, particularly in attracting and retaining global talent. Together, these indicators deliver a more nuanced and comprehensive evaluation of the urban living environment, a factor of increasing importance in Asian cities' ability to attract and retain international talent, businesses, and visitors.		
New or Updated Survey Data Indicators	Dimension 7 Government and Legal System for Business - Updated	Perception of the City's Global Influence	These enhancements provide a deeper understanding of how perceived global and regional influence, together with local political and geopolitical conditions, shape the business environment and investor confidence in each city.
	Dimension 7 Government and Legal System for Business - New	Perception of the City's Regional Influence	
	Dimension 7 Government and Legal System for Business - New	Perception of the City's Local Political Environment Impact on Business	
	Dimension 7 Government and Legal System for Business - New	Perception of the City's Geopolitical Environment Impact on Business	
Enhancement of Data Granularity	Dimension1 Business and Economy	FDI and ODI flows and stocks	In the 2025 edition, these indicators were based on national-level data. This was primarily due to the limited availability of comprehensive, publicly accessible city-level datasets across all covered cities at that time. For the 2026 edition, we have successfully transitioned these indicators to citylevel data through targeted engagement with relevant government authorities, leveraging both the credibility of the inaugural 2025 report and Ipsos' established institutional relationships. This improvement enhances the accuracy and relevance of the Index while preserving overall methodological consistency.
	Dimension 2 Quality of Life	Density of Doctors per 10,000 population	
	Dimension 2 Quality of Life	CO_2 Emissions per Capita	

Table 1 ACII 2026 Index Adjustments

Through these adjustments and optimisations, the evaluation system for the Asian Cities Internationality Index is shown in Figure 1. Detailed calculation methods and indicator explanations are provided in the appendix (see 5.3).

For the calculation, most indicators use data from the end of 2025 or early to mid-2026 to reflect the latest situation. However, for some indicators, data from the latest available year are used due to data availability constraints. In addition, as statistical systems vary across countries, some indicators are based on data released by administrative cities, while others are based on data from metropolitan areas.

02 THE ASIAN CITIES INTERNATIONALITY INDEX OVERVIEW

2.1. Overall Rankings

The Index assesses the level of internationality among Asian cities. Measured on a scale of 0 to 100, a higher composite score means a higher level of internationalisation. A score of 100 represents the ideal scenario, where a city excels in every component of the Index.

The 2026 Internationality Index of Asian Cities highlights the ongoing evolution in how Asian urban centres position themselves on the global stage. Hong Kong and Singapore retain their leadership among the region’ s most internationalised cities, demonstrating exceptional performance in global connectivity, economic openness, and talent mobility.

A defining characteristic of top-performing cities is their ability to combine robust institutional frameworks, world-class infrastructure, and agile governance models that enhance their international appeal. Singapore continues to excel in economic openness and business efficiency, while Hong Kong leverages its strategic location and financial depth to remain a premier global gateway.

Notable momentum is also evident across other high-potential cities, such as Seoul and Mumbai. Several emerging hubs have recorded significant gains, driven by improvements in capital markets, startup fundraising, FDI attraction, international talent programmes, digital connectivity, and innovation ecosystems. These advances reflect a broader trend: Asian cities are increasingly differentiating themselves through targeted internationalisation strategies, enabling them to compete more effectively with established global centres.



Figure 2 below shows the overall and dimension rankings in 2026 of the 11 selected cities.

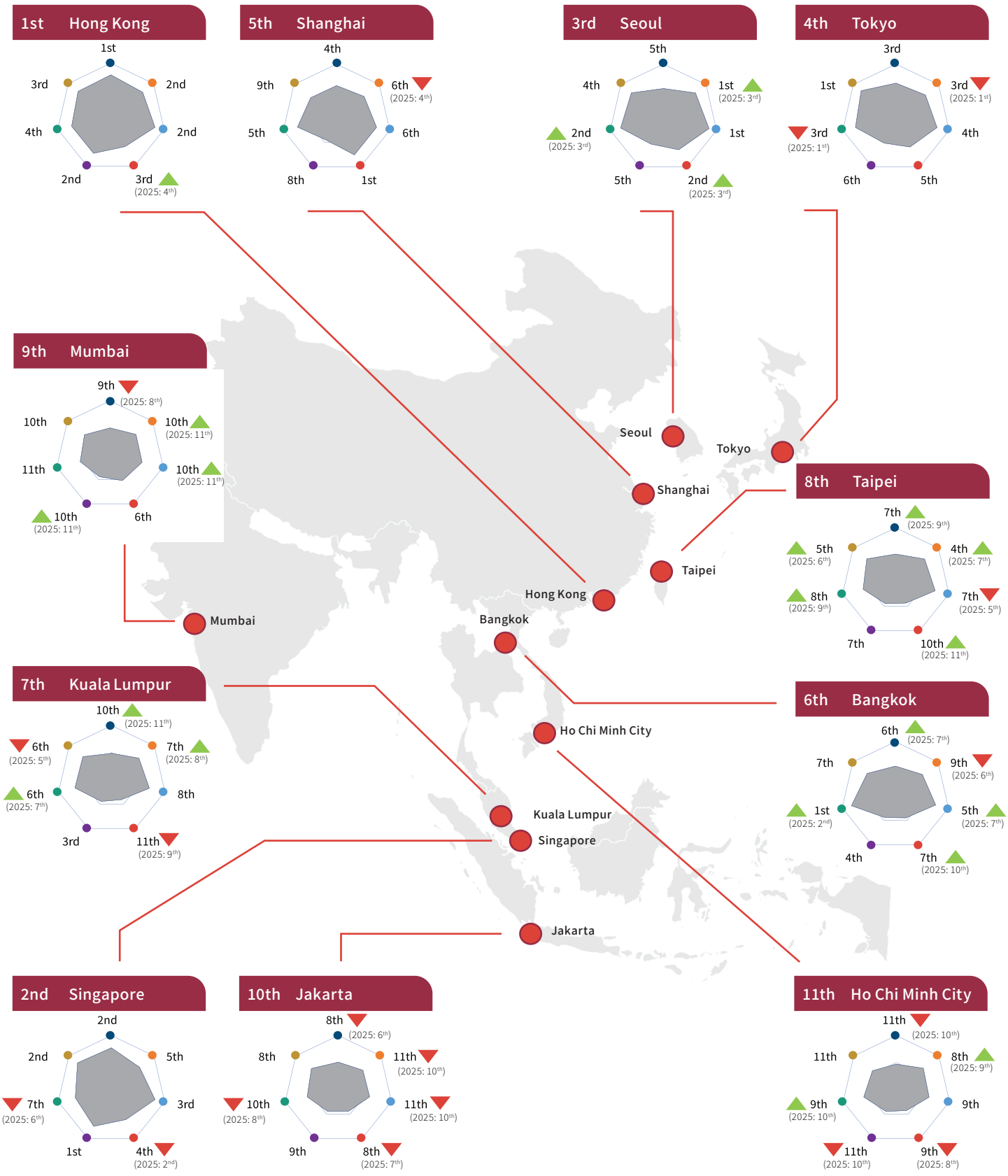


Figure 2 Overall & Dimension Rankings of 11 Asian Cities in 2026

2.2. Notable Changes and Highlights

The 2026 Internationality Index of Asian Cities reveals a dynamic landscape in which cities across the region are making deliberate and sustained investments to strengthen and expand their global influence. While the top positions remain largely stable compared with 2025, underscoring the entrenched advantages of established global hubs, several cities further down the rankings demonstrate remarkable momentum through ambitious and forward-looking strategies.

Table 2 below shows the overall ranking changes by cities from 2025 to 2026.

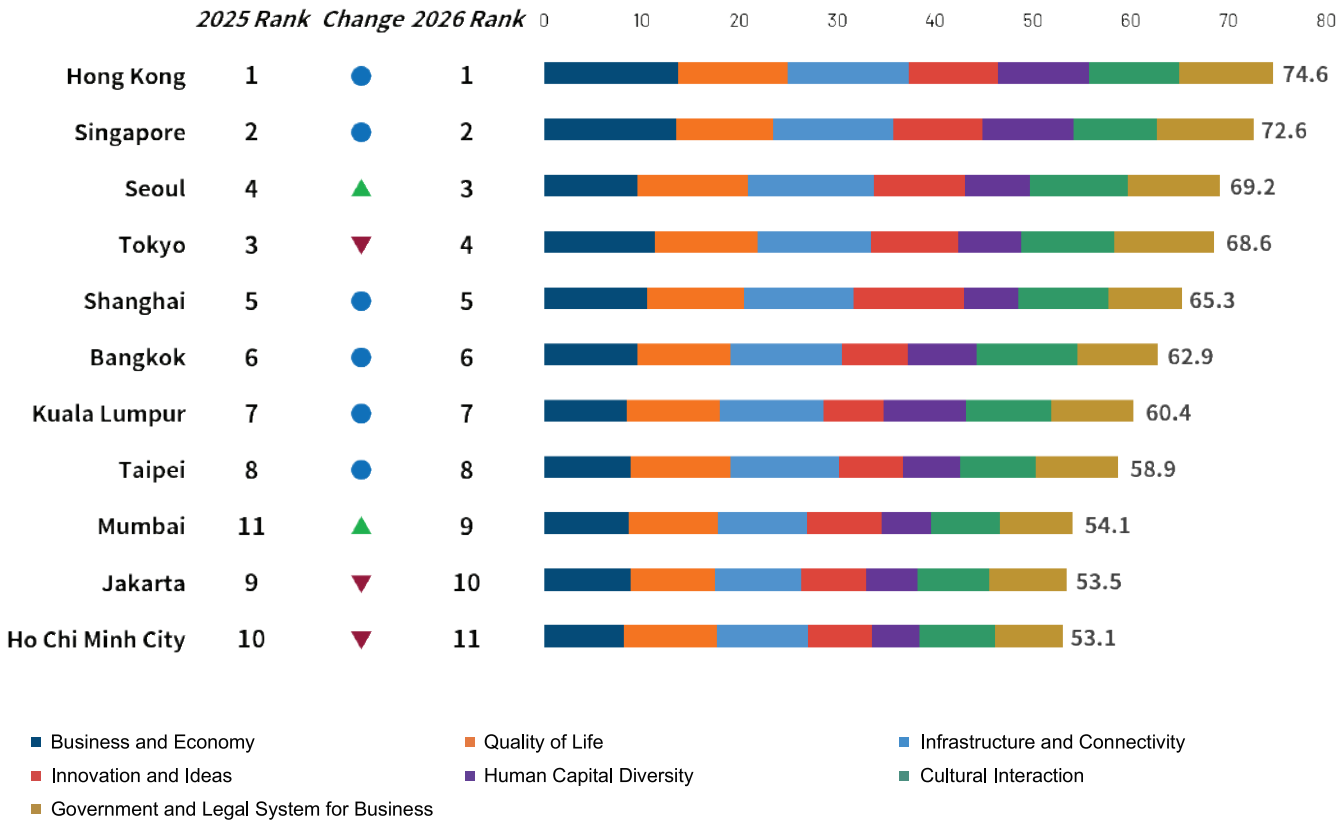


Table 2 Overall Ranking Changes by Cities- 2025 vs. 2026

Hong Kong and Singapore, widely regarded as the most developed markets in the Asian Cities Internationality Index, remain firmly at the forefront among the 11 Asian cities. Hong Kong retains the top spot with its robust economic foundation, reaffirming its position as a leading international business hub, a premier centre for global events, one of the top travel destinations for international visitors and a hub for world-class education. Singapore follows closely in second place, capitalising on its strategic location, efficient governance, and distinct city-state advantages. It continues to serve as a powerful magnet for foreign enterprises to establish APAC headquarters and a key facilitator of global commerce in Asia, all while leveraging its diverse and sophisticated human capital.

Seoul and Tokyo form the next tier. Seoul has advanced to third place, reflecting strong momentum in quality of life, innovation, and cultural interaction dimensions. This upward trajectory is supported by its digital connectivity, improving household affordability, and long-term sustainability planning, alongside rising venture capital investment and a K-drama-fueled increase in international tourism. Meanwhile, Tokyo falls to fourth place, anchored by its robust economy and massive concentration of Fortune Global 500 headquarters. While it continues to leverage Japan's advanced industrial base and economic depth, the city faces headwinds from business leaders expressing declining confidence in its openness, diversity, and cultural interaction initiatives.

Shanghai, Bangkok, Kuala Lumpur, and Taipei are next in line, each leveraging distinct competitive advantages to elevate their internationality. Shanghai continues to excel through its innovation and economic dynamism, while Bangkok's immense tourism magnetism culminated in it becoming the world's most visited city in 2025[i]. Meanwhile, Kuala Lumpur benefits from a diverse talent pool and solid primary and secondary education foundations, and Taipei remains eighth overall, with notable dimension-level improvements in lifestyle offerings and information exchange and openness. Collectively, while these strategic assets significantly bolster their regional standing, further headway remains to be made by these four cities in their long-term development.

Mumbai has made notable progress, climbing two positions to rank ninth in the Index. This advancement is primarily driven by a strengthened performance in Innovation and Ideas, supported by an increasingly vibrant startup ecosystem, as well as measurable improvements in both infrastructure and the local living environment. Meanwhile, Jakarta and Ho Chi Minh City occupy the tenth and eleventh positions, respectively. These hubs remain less integrated into the global economy, characterised by strong domestic self-reliance and a more localised approach to multicultural interaction. Consequently, substantial room remains for these cities to enhance their international profiles and global connectivity.

Table 3 shows the dimension-level scores of cities and highlights changes in their 1st ranking from 2025 to 2026.

	D1 Business and Economy	D2 Quality of Life	D3 Infrastructure and Connectivity	D4 Innovation and Ideas	D5 Human Capital Diversity	D6 Cultural Interaction	D7 Government and Legal System for Business
Hong Kong	78.6 (1)	74.6	82.9	61.0	73.8	73.9	77.0
Singapore	77.3	66.3	82.0	60.6	75.1 (1)	67.9	79.4
Seoul	55.0	75.2 (1)	85.8 (1)	62.2	52.8	80.5	75.3
Tokyo	64.9	70.1 (1)	77.4	59.8	50.9	76.4 (1)	81.7 (1)
Shanghai	60.4	66.0	75.1	74.9 (1)	44.5	73.6	60.6
Bangkok	54.9	63.3	76.1	44.5	56.4	82.7 (1)	66.1
Kuala Lumpur	48.5	63.7	70.8	41.1	67.2	69.2	68.4
Taipei	51.2	67.7	74.1	43.2	47.0	61.6	69.1
Mumbai	49.8	61.0	60.5	51.3	40.3	56.0	59.7
Jakarta	50.7	57.6	58.9	44.3	41.9	58.8	63.0
Ho Chi Minh City	47.2	63.5	61.7	43.7	39.1	61.2	56.2

(1) Ranked 1st in 2026 (1) Ranked 1st in 2025

Table 3 Dimension Scores by Cities in 2026

03 DIMENSION 1 Business and Economy

3.1. Introduction

The economic development and business landscape reflect the stability and scalability of an international city. Robust economic foundations, advanced infrastructure, supportive policies, and openness are essential to facilitating the exchange of business and capital. This international business hub should also relentlessly identify and explore future business opportunities for enterprises and individuals. Amid an increasingly competitive business landscape and the rise of protectionism, this international city strives to create an open business environment that welcomes newcomers to participate in the market.

3.1.1 Dimension Performance Snapshot

Hong Kong and Singapore continue to lead the Business and Economy dimension in 2026, reinforcing their positions as Asia's premier international business hubs. Tokyo, Shanghai, and Seoul continue to remain strong and stable at the front, further capitalising on their respective national economic strengths to solidify their regional influence.

Among the mid-tier cities, Taipei recorded the strongest gain, advancing two positions to seventh. This improvement was driven by stronger performance in business opportunities and financial markets, reflecting heightened survey confidence in the city's potential for overseas corporate expansion.

	SCORING (Max 100)	Dimension 1 Ranking 2025 vs. 2026			Dimension 1 Business and Economy Score - 2026					
		2025 Ranking	Change in Ranking	2026 Ranking	D1 Business and Economy	D1.1 International Business Entities Establishment	D1.2 Business Opportunities	D1.3 International Trade	D1.4 Investment Flows	D1.5 Financial Market
Top Markets	Hong Kong	1	+0	1	78.6	64.0	83.5	79.0	84.4	82.0
Top Markets	Singapore	2	+0	2	77.3	66.8	82.0	94.5	82.3	61.0
Top Markets	Tokyo	3	+0	3	64.9	67.6	66.4	49.1	74.9	66.3
	Shanghai	4	+0	4	60.4	59.7	68.6	56.3	68.2	49.2
	Seoul	5	+0	5	55.0	50.8	69.3	40.0	62.9	52.3
	Bangkok	7	▲+1	6	54.9	45.3	81.7	44.7	65.3	37.7
	Taipei	9	▲+2	7	51.2	40.4	71.3	35.3	61.2	47.8
	Jakarta	6	▼-2	8	50.7	41.8	71.9	44.5	59.4	36.2
	Mumbai	8	▼-1	9	49.8	51.1	56.8	27.2	71.0	42.7
	Kuala Lumpur	11	▲+1	10	48.5	41.5	62.0	44.1	62.5	32.4
	Ho Chi Minh City	10	▼-1	11	47.2	39.1	67.2	40.6	55.7	33.3

Top 1 Top 2-3 Bottom 2-3 Bottom 1 ▲ Ranking Increased ▼ Ranking Decreased

Table 4 Business and Economy Dimension: 2025–2026 Ranking Comparison and 2026 Scores

3.1.2 City Spotlights & Key Insights of Changes

The 2025 to 2026 shifts in the Business and Economic Dimension reveal a dynamic but stable top tier where internal rebalancing preserved positions, contrasted with meaningful mobility in the lower half. Gains in International Business Established, Business Opportunities and Investment Flows proved particularly influential for the cities with improved standings, such as Taipei, Bangkok, and Kuala Lumpur. Cities that diversified improvements across multiple sub-dimensions generally fared best, underscoring the interconnected nature of international business attractiveness in Asia.

Top Performance and Dynamic Changes

Hong Kong maintained its preeminent position, demonstrating comprehensive excellence across all sub-dimensions in Business and Economics. Its status as a leading international financial centre remains anchored by highly diversified markets, a robust IPO activity in 2025, and a perennially open business environment. As one of the region's most competitive hubs, it continues to facilitate high-volume trading activities through a sophisticated institutional framework.

Hong Kong solidified its leadership position through targeted gains in high-impact areas, despite no net change overall. These improvements reflect a strengthened appeal for new business formations and capital inflows, underpinned by a vibrant IPO market in 2025 that drove a 75.8% increase in the number of newly listed companies and 188. 4% growth in IPO funds raised from 2024[ii], enabling Hong Kong to reclaim the global top position. Complementary momentum in foreign direct investment (FDI) and outward direct investment (ODI), which together exceeded USD 230 billion in 2024[iii], along with heightened survey respondent confidence in opportunities across North American and European markets, further bolstered perceptions of international expansion potential.

A critical structural backbone underpinning this competitive edge, as highlighted by case study respondents, is the long-standing stability of the Hong Kong Dollar's peg to the US Dollar, maintained since 1983 under the Linked Exchange Rate System. This arrangement delivers exceptional exchange-rate predictability and virtually eliminates foreign-exchange risk for international businesses, traders, and investors. It serves as a core competitive strength that enhances Hong Kong's appeal as a low-risk gateway for doing business, international trade, and sophisticated financial services in Asia amid the current global economic landscape.

Singapore followed closely in second place. Leveraging its strategic location, efficient governance, and city-state advantages, the city excelled particularly in international trade. It continues to serve as a powerful magnet for foreign enterprises to establish APAC headquarters and as a key facilitator of global commerce in Asia.

Singapore maintained its runner-up spot with remarkable consistency across most sub-dimensions. This performance is reinforced by Singapore's position as the Asian city hosting 13 regional headquarters of Fortune Global Top 100 companies[iv], the highest number among the 11 assessed Asian cities, and its success in attracting major international technology firms, including Amazon, Apple, Alphabet, Microsoft, and Netflix, to establish their APAC headquarters, further strengthening its talent pool and industry clusters. Leveraging its city-state advantages, Singapore has secured an extensive network of international free trade agreements, complemented by its established role as a leading Asia-Pacific hub for logistics, transhipment, aviation, and diversified business services. These strengths have driven superior trade volumes, with total imports and exports of goods and services reaching approximately USD 1,935.5 billion in 2025[v], surpassing Hong Kong's USD 1,694.4 billion[vi] and the other cities in the ranking. The modest decline in Business Opportunities is primarily attributable to a reduction in respondents' confidence in overseas market expansion prospects in the 2026 survey.

Tokyo maintained its third-place ranking. As the primary gateway for international companies entering the Japanese market and the global headquarters of numerous Fortune Global 500 companies, Tokyo continues to benefit from Japan's advanced industrial base and economic depth.

Tokyo preserved its podium through a balanced trade-off of strengths across key sub-dimensions. It continued to dominate International Business Entities Establishment, retaining its top rank thanks to its established role as Japan's primary gateway for international companies and as the home to major Japanese multinational conglomerates such as Toyota Motor, Sony, and SoftBank. In 2025, Tokyo hosted the global headquarters of 20 Fortune Global 500 companies[vii], which is the highest number among the selected cities, and posted a solid gain in Investment Flows. These gains were partially offset by a decline in Business Opportunities, driven mainly by survey respondents' concerns that local market dominance could distort competition and by reduced confidence in overseas expansion, particularly into Southeast Asian markets. Ranking stability in International Trade and Financial Market kept the overall ranking intact, highlighting Tokyo's enduring strength in attracting global corporate presence even as opportunity metrics softened slightly.

Shanghai followed in fourth place, functioning as the core international business and trade hub for the Chinese Mainland. The city excels in areas aligned with its national comparative advantages, contributing to a differentiated yet competitive regional landscape.

Shanghai held steady in its overall Business and Economy Dimension ranking, yet underlying volatility signals emerging competitive pressures. A drop in the rank of Investment Flows, resulting in the loss of its previous leadership position, was accompanied by combined FDI and ODI totalling approximately USD 25.34 billion in 2024[viii] [ix], down from USD 31.0 billion in 2023. This was paired with a slight decline in Business Opportunities. These headwinds were largely offset by Shanghai's sustained strong performance in International Trade, where it maintained 3rd place, underpinned by imports and exports of goods and services exceeding USD 640 billion in 2025[x], a significant increase of 5.6% from 2024. Shanghai's robust core strengths in international trade and business entity establishment, further bolstered by growing survey respondent confidence in the city's role as a global business hub and their ambition to expand into overseas markets, provided a strong foundation that preserved its overall ranking and positioned the city well for continued competitiveness and future gains in investment flows.

Top Performance and Dynamic Changes

Taipei recorded the largest overall gain, moving up two positions, propelled by a standout surge in Business Opportunities, which advanced four positions to fifth in this sub-dimension. This was reinforced by smaller but meaningful advances across the board, including International Business Entities, Investment Flows, and the Financial Market. This upward trajectory was mainly driven by heightened confidence among survey respondents regarding overseas expansion and robust business opportunities. Key catalysts of the increased confidence of survey respondents included Taiwan's exceptional 8.68% GDP growth[xi], the fastest in 15 years, propelled by surging demand for AI and semiconductors, with TSMC and high-performance computing leading export gains. Furthermore, the trade agreement bolstered the business environment by reducing tariffs on critical technology exports to 15%[xii]. This economic momentum is reflected in the capital markets, driven by the global AI boom. Taiwan's stock market has surged to become the world's seventh largest, officially surpassing that of the United Kingdom.

Bangkok was one of the clear improvers, climbing one spot thanks to gains in the International Business Entities, Investment Flows, and Financial Market, while maintaining a strong third place in Business Opportunities. A minor dip in International Trade was insufficient to offset these multi-dimensional improvements, positioning Bangkok as an increasingly attractive mid-tier hub for international business setup and capital. This upward trend is mainly driven by heightened survey respondents' confidence in Bangkok's emergence as a dynamic global business hub, underpinned by the Thai government's demonstrably open and proactive stance toward foreign companies establishing global or regional headquarters. Through the Board of Investment (BOI), the Thai government offers highly competitive incentives under the International Business Centre (IBC) regime, including preferential corporate income tax rates as low as 3–8% on qualifying income, 100% foreign ownership, land ownership rights for office purposes, dividend tax exemptions, and streamlined visa and work permit procedures for executives[xiii].



These policies have already attracted major investments, notably TikTok's data centres in Bangkok and Samut Prakan[xiv], as well as the launch of a new Google Cloud region in Bangkok in early 2026[xv]. Combined with Bangkok's strategic ASEAN location, competitive operating costs relative to Singapore and Hong Kong, and ongoing infrastructure development, they have driven strong foreign investment inflows. In 2024, Thailand attracted approximately USD 10.58 billion in FDI, an increase of over 30% from 2023[xvi], with robust growth in approvals under the Foreign Business Act and significant multinational interest in IT services, financial services, and regional headquarters functions.

Jakarta suffered the steepest decline, falling from sixth to eighth among the group. Although it posted a strong improvement in Business Opportunities, driven by better ease of doing business metrics from the World Bank[xvii], more efficient startup processes, and higher survey respondent satisfaction with support for expansion into established markets such as North America and Europe, this gain was more than offset by significant weaknesses across other pillars.

The primary drag came from a sharp drop in Investment Flows, along with modest declines in International Business Entities Establishment, International Trade, and Financial Market. Survey respondents expressed reduced confidence in investment opportunities within emerging markets, including Southeast Asia and the Middle East, and voiced concerns over local government regulations and initiatives aimed at attracting foreign investment and encouraging outbound expansion. These perceptions align with actual 2025 trends, in which Jakarta's realised foreign direct investment growth stagnated at just 0.1% year-on-year, a sharp slowdown from 21% growth in 2024[xviii xix]. Domestic investment significantly outpaced FDI amid global uncertainties, regulatory complexities, and intensifying regional competition. The tilted balance of investment is further reflected in our interview respondents, who also mentioned that the economy is heavily dominated by local conglomerates with relatively low ambition to expand their businesses overseas. The net effect illustrates how concentrated weaknesses in capital attraction and entity-related metrics can outweigh isolated gains in opportunity perception.

3.1.3 Way Forward

The Business and Economy dimension is expected to remain highly dynamic in the coming years. As global supply chains continue to reconfigure and competition for investment intensifies, cities that combine structural strengths with agile, sector-focused policies will be best positioned to capture opportunities. The 2025–2026 results confirm that meaningful progress is achievable for cities that pursue coordinated, multi-dimensional strategies rather than relying on isolated advantages. While leading cities such as Hong Kong, Singapore, and Tokyo have maintained their positions through structural strengths and diversified performance, the notable gains by Taipei and Bangkok, alongside Jakarta's decline, demonstrate that progress increasingly depends on coordinated improvements across multiple sub-dimensions. For policymakers, investors, and business leaders across Asia, the clear message will be that international business attractiveness is no longer determined by any single factor, but by the coherence and execution of the entire ecosystem under the international city.

Looking ahead, Asian cities face a dual challenge. On one side, the ongoing fragmentation of global trade and investment flows ("slowbalisation") is creating new opportunities for cities that can effectively connect emerging and established markets and position themselves in high-growth sectors such as technology, green industries, and advanced manufacturing. On the other side, rising operational costs, regulatory complexity, and intensifying competition for capital and talent are placing greater pressure on cities to differentiate themselves.

03 DIMENSION 2 Quality of Life

3.2. Introduction

Quality of Life remains one of the most important considerations for international talent when deciding where to live and build their careers. Factors such as cost-of-living predictability, the richness of cultural and entertainment amenities, and the accessibility of essential healthcare and public services directly influence a city's ability to attract and retain diverse international communities. Sustainable development has also emerged as a key evaluation criterion. Cities that demonstrate credible progress through integrated climate action, environmental improvements, and long-term urban planning signal a stronger commitment to both global responsibility and the everyday well-being of residents. In contrast, rising affordability pressures, capacity constraints in public services, or environmental burdens can weaken a city's appeal to international talent, even when its economic fundamentals remain robust.

3.2.1 Dimension Performance Snapshot

Seoul, Hong Kong, and Tokyo continue to lead this dimension in 2026 despite minor changes in the top three rankings. Northeast Asia continues to dominate the leaderboard, demonstrating their excellence in offering unique lifestyles that appeal to locals and foreigners. Seoul has risen to first place, driven primarily by its relatively disciplined consumer price levels and declining housing rental costs compared to its regional peers. Hong Kong retains its second-place position, anchored by its diverse lifestyle offerings, extensive urban green space, and a highly accessible public transportation network. Conversely, Tokyo has declined to third place, largely due to a rising consumer price index that persists despite the depreciation of the Japanese yen, further compounded by decreasing satisfaction among surveyed business leaders with the city's affordability and diversity of dining and entertainment options.

Beyond the top three, Taipei recorded the strongest upward momentum, rising to fourth place on the back of enhanced lifestyle accessibility and a solid public service and healthcare system. Meanwhile, Shanghai and Bangkok illustrate that economic scale alone does not guarantee strong liveability outcomes, as persistently high per-capita CO_2 emissions, the city's sustainability development and severe congestion continue to weigh on quality-of-life performance. Meanwhile, Kuala Lumpur leveraged the competitive housing rental prices typical of Southeast Asian nations, along with its advantage in medical service capacity, to advance one position in the rankings.

		Dimension 2 Ranking 2025 vs. 2026			Dimension 2 Quality of Life Score - 2026					
					D2	D2.1	D2.2	D2.3	D2.4	D2.5
	SCORING (Max 100)	2025 Ranking	Change in Ranking	2026 Ranking	Quality of Life	Cost of Living*	Retail, Dining and Entertainment	Public Services and Healthcare	Safety and Security	Sustainability Development
Top Markets	Seoul	3	▲+2	1	75.2	62.0	59.1	75.2	94.5	85.3
Top Markets	Hong Kong	2	+0	2	74.6	55.8	79.5	75.2	96.9	65.6
Top Markets	Tokyo	1	▼-2	3	70.1	60.4	72.4	63.9	94.7	59.3
	Taipei	7	▲+3	4	67.7	67.6	59.6	69.5	99.4	42.3
	Singapore	5	+0	5	66.3	44.9	58.4	76.1	96.6	55.2
	Shanghai	4	▼-2	6	66.0	69.1	63.7	73.5	93.7	29.9
	Kuala Lumpur	8	▲+1	7	63.7	79.4	50.8	74.9	73.5	39.9
	Ho Chi Minh City	9	▲+1	8	63.5	87.0	55.9	45.6	79.3	49.5
	Bangkok	6	▼-3	9	63.3	74.0	63.1	39.6	86.0	54.0
	Mumbai	11	▲+1	10	61.0	75.8	50.4	31.2	82.7	64.9
	Jakarta	10	▼-1	11	57.6	81.1	40.1	37.1	78.2	51.5

Top 1 Top 2-3 Bottom 2-3 Bottom 1 ▲ Ranking Increased ▼ Ranking Decreased

*Higher scores indicate lower living cost

Table 5 Quality of Life Dimension: 2025–2026 Ranking Comparison and 2026 Scores

3.2.2. City Spotlights & Key Insights of Changes

The ranking in the Quality of Life dimension shows significant shifts compared to 2025, with notable changes in the leadership and bottom-tier positions. The ranking underscores Northeast Asia's dominance in quality of life, with Seoul, Hong Kong and Tokyo forming a strong leading tier. These cities retain advantages in reliable healthcare access, efficient transport networks, and well-developed urban services. By contrast, other cities such as Jakarta, Mumbai, and Ho Chi Minh City are held back by relatively weaker safety performance and infrastructure capacity. Overall, Quality of Life appears to depend not only on urban growth but also on the maturity and safety of public service systems.

Top Performance and Dynamic Changes

Seoul leads in the Quality of Life dimension by proving that a dense, fast-paced metropolis can achieve high liveability. By combining long-term sustainability and infrastructure efficiency with reliable transit and accessible public services, the city provides a well-ordered, secure, and cost-stable environment for its residents.

Seoul's top ranking is underpinned by a well-integrated urban model that combines climate action into urban development. The city records 16 initiative participations and commitments under the United Nations' NAZCA (Non-state Actor Zone for Climate Action)[xx], the highest among other assessed Asian cities, signalling a stronger institutional commitment to sustainability. Its 2050 carbon-neutrality roadmap further strengthens this position by providing a clear framework for turning climate goals into measurable improvements in urban liveability. By targeting high-emission areas such as buildings, energy, transport, and waste, Seoul links sustainability directly to cleaner mobility, greater environmental resilience, and more efficient public services. Its advantage is further reinforced by a stable consumer-price environment. While several peer cities continue to face stronger inflationary pressures, Seoul has maintained greater discipline across key household expenditure categories, with Numbeo index data showing declines in average prices for both one-bedroom and three-bedroom apartments from 2024 to 2025[xxi]. Together with robust healthcare coverage, public safety, and transport systems, these strengths highlight Seoul's ability to turn long-term planning into practical benefits for citizens, reinforcing its position as a leading global city for quality of life.

Hong Kong maintains its second-place position in the Quality of Life Dimension, reflecting its reputation as one of Asia's most attractive cities to live in. The city offers a vibrant lifestyle experience supported by world-class dining and diverse cultural attractions, extensive outdoor recreation opportunities, and a close connection between urban living and nature.

Hong Kong maintains second place in this Dimension, which is particularly driven by its strong performance in urban green space accessibility and mobility efficiency. According to The Husqvarna Urban Green Space Insights (HUGSI) in 2025, urban green space accounts for 47% of the city's area[xxii], supported by the extensive country parks sitting close to major residential and commercial districts. This gives residents direct access to nature while preserving the convenience of a dense urban core.

Beyond environmental metrics, executive survey sentiment reveals growing satisfaction with Hong Kong's overall living environment. This positive perception is reinforced by a highly diversified entertainment landscape and landmark lifestyle infrastructure projects, such as the Kai Tak Sports Park and the Central Yard development, both of which play a critical role in elevating the city's urban appeal and enriching the day-to-day resident experience. This lifestyle proposition is further distinguished by a world-class culinary ecosystem, with over 70 Michelin-starred restaurants[xxiii] solidifying Hong Kong's status as a premier regional RDE (retail, dining and entertainment) hub.

At the same time, Hong Kong records the lowest congestion level among all assessed cities. Its congestion level, defined as the extra travel time required compared with free-flow traffic, stands at only 36.6%, according to the TomTom traffic index[xxiv]. Despite limited road capacity, this reflects effective demand management through extensive use of public transport and disciplined traffic planning. Together, these strengths show how Hong Kong sustains a superior quality of life by combining compact urban convenience with accessible nature, efficient mobility, and a rich lifestyle ecosystem.

Tokyo drops to third as resident pressures intensify. Despite strong fundamentals in safety, infrastructure, and amenities, rising costs and healthcare constraints lower its appeal. The challenge is maintaining affordability and service accessibility amid economic and demographic pressures.

Tokyo slips to third place, largely driven by affordability pressures and localised strains on healthcare access. The depreciating yen has strengthened Tokyo's appeal to visitors and supported robust inbound tourism, but it has also increased import-related pressures on residents, particularly through food and energy costs. This has made everyday living costs less predictable, with Food CPI rising 6.8% YoY in 2025[xxv]. The impact of the rising cost of living is also reflected in survey results, with respondents reporting weaker purchasing power, suggesting that macroeconomic pressure is being felt directly at the household level.

While Japan maintains a highly advanced healthcare system, systemic capacity constraints persist—with Tokyo recording 35.39 doctors per 10,000 population, according to the Ministry of Health, Labour and Welfare[xxvi], which is below the OECD average of approximately 39 doctors per 10,000 population[xxvii]. This economic squeeze is further compounded by unique local structural pressures within Tokyo's infrastructure. Japan's rapidly ageing demographic creates a high baseline demand for healthcare services and testing system capacity. Furthermore, while Japan's legally mandated annual health checkups for residents represent an exemplary preventive health initiative, the policy inadvertently funnels large numbers of residents into medical facilities during peak booking seasons, creating acute, temporary bottlenecks in medical resources. Ultimately, executive surveys also reflect reduced satisfaction in both the quality and accessibility of healthcare services among both local residents and foreign professionals.

Although Tokyo continues to benefit from a highly reliable, accessible metro network that facilitates seamless commuting and keeps per capita CO_2 emissions low, the executive survey respondents still report declining satisfaction with the overall living environment, including air quality, cleanliness, and urban greenery. Expert interviews further clarify that new expatriates could face significant structural hurdles when establishing their new life in Tokyo, ranging from apartment rental restrictions to the complexities of opening personal bank accounts. These day-to-day friction points undermine the city's overall appeal. While Tokyo remains highly liveable, it faces growing challenges in maintaining its traditional competitive edge over peer hubs—particularly as demographic shifts strain public capacity, and international talent retention becomes increasingly sensitive to day-to-day quality-of-life predictability.



Major Ranking Changes in Cities

Taipei records one of the most significant improvements in the Quality of Life Dimension, rising to fourth place as its resident-facing ecosystem becomes more competitive. The improvement is particularly visible in lifestyle accessibility, healthcare capacity and overall environment. Executive survey indicates rising resident satisfaction with a more diverse and attractive mix of retail, dining, and entertainment choices, underpinned by the continued expansion of Taipei's high-quality dining scene and a growing number of Michelin-Star-recognised restaurants, reinforcing the city's deepening lifestyle.

Meanwhile, Taipei's healthcare system provides a robust foundation for residents' daily life, with 67.2 doctors per 10,000 population[xxviii] supporting a high level of medical service capacity, while CO_2 emissions per capita declined modestly to 4.23 tonnes in 2024 from 4.35 tonnes[xxix] in 2023. Executive survey feedback also shows increased satisfaction with the overall living environment, including air quality, cleanliness, and urban greenery. Taipei is an increasingly attractive destination for international talent and families who value a predictable quality of life alongside economic and innovation opportunities, helping close the gap with higher-ranked cities and reinforcing its overall momentum in the index.

Shanghai and **Bangkok** highlight how environmental and infrastructure pressures can constrain quality-of-life performance even in cities with strong economic scale. In Shanghai, per capita CO_2 emissions are the highest among the 11 assessed cities, reflecting a heavier environmental burden that could affect quality of life through air-quality pressures and weaker sustainability resilience. Executive surveys also indicate declining satisfaction with the diversity of retail, dining, and entertainment options as well as with the quality and accessibility of healthcare services, further tempering Shanghai's overall ranking in the dimension.

Bangkok faces similar constraints, also recording relatively high per-capita CO_2 emissions alongside severe traffic congestion. Its congestion level stands at 67.9% according to the TomTom Traffic Index in 2025[xxx], indicating the residents experience substantial travel time delays compared with free-flow conditions, despite increased satisfaction with the overall environment, as shown in the executive survey.

The two cities highlight that sustainable competitiveness in the Quality of Life dimension increasingly requires integrated urban strategies that address environmental stewardship and service delivery bottlenecks alongside economic growth; cities that close these gaps more effectively are better positioned to enhance both resident well-being and their attractiveness to international professionals and investors.

3.2.3. Way Forward

The Quality of Life dimension highlights a clear strategic lesson for Asian cities: economic scale and dynamism alone are no longer sufficient to secure long-term international competitiveness. Cities that successfully translate long-term planning into measurable improvements in daily liveability, through integrated sustainability efforts, service capacity, and lifestyle vibrancy, are pulling ahead. Those facing affordability pressures, environmental burdens, or infrastructure bottlenecks risk eroding their relative advantage, even when their economic fundamentals remain strong.

Quality of life remains central to attracting and retaining international talent, encompassing lifestyle vibrancy, living environment, and cost of living. This dimension is closely interconnected with human capital and cultural diversity. To differentiate themselves, cities should actively promote their dynamic and culturally enriching lifestyles while addressing persistent concerns such as high living costs. Asia's rich heritage and strong regional connectivity offer unique opportunities to create modern, appealing ways of living that resonate with younger professionals and international residents.

Looking ahead, the most internationally competitive cities treat liveability not as a byproduct of growth, but as a strategic outcome that must be deliberately designed, measured, and continuously improved. By aligning long-term planning with the everyday realities of residents and international talent, cities will be better positioned to attract and retain the human capital and investment essential for sustained success in an increasingly competitive regional landscape.

03 DIMENSION 3 Infrastructure and Connectivity

3.3. Introduction

Robust external connectivity and mature domestic physical infrastructure serve as the foundational backbone of an international city, facilitating the seamless exchange of capital, commodities, and human talent essential for global integration. However, as physical infrastructure reaches maturity across primary urban centres, the competitive frontier is shifting toward digital and intellectual connectivity. Today, an international city's enduring competitive edge depends on its capacity to support the efficient, transparent exchange of information and ideas, cultivating an open environment that actively fosters cross-border collaboration and intellectual growth.

3.3.1 Dimension Performance Snapshot

Seoul continues to lead the Infrastructure and Connectivity dimension in 2026, securing the top spot with strong, consistent performance across nearly every sub-dimension. Its dominance reflects the city's successful integration of cutting-edge digital infrastructure with highly efficient physical transport networks. Hong Kong and Singapore maintained their strong hold on second and third places, respectively, leveraging their world-class airports, ports, and strategic locations as premier gateways for Asia.

The mid-tier saw notable shifts, with Bangkok climbing two spots to fifth. This progress was fueled by enhanced air transport capacity and information availability, signalling strong survey perception of the city's expanding transit networks and its evolving role as a regional hub. Conversely, Taipei experienced a decline, slipping two positions to seventh. The drop was mainly attributable to reduced executive confidence in the accessibility of timely business insights and regional market intelligence, as well as comparatively weaker performance in port efficiency.

	SCORING (Max 100)	Dimension 3 Ranking 2025 vs. 2026			Dimension 3 Infrastructure and Connectivity Score - 2026					
		2025 Ranking	Change in Ranking	2026 Ranking	D3 Infrastructure and Connectivity	D3.1 External Connectivity - Air	D3.2 External Connectivity - Non air	D3.3 Logistics Efficiency for Business	D3.4 Digital Connectivity	D3.5 Information Exchange
Top Markets	Seoul	1	+0	1	85.8	81.3	84.6	81.8	99.8	81.7
Top Markets	Hong Kong	2	+0	2	82.9	82.3	87.1	81.7	88.4	74.9
Top Markets	Singapore	3	+0	3	82.0	74.6	88.4	88.8	91.5	66.6
	Tokyo	4	+0	4	77.4	73.3	84.4	82.1	70.3	76.9
	Bangkok	7	▲+2	5	76.1	74.8	76.1	79.6	66.7	83.3
	Shanghai	6	+0	6	75.1	69.5	85.5	79.8	81.4	59.3
	Taipei	5	▼-2	7	74.1	59.2	78.2	79.9	78.9	74.5
	Kuala Lumpur	8	+0	8	70.8	56.2	79.4	78.6	71.0	68.7
	Ho Chi Minh City	9	+0	9	61.7	39.8	82.2	74.2	55.5	57.0
	Mumbai	11	▲+1	10	60.5	48.8	76.7	75.3	37.7	63.9
	Jakarta	10	▼-1	11	58.9	34.0	79.1	69.7	43.2	68.6

Top 1 Top 2-3 Bottom 2-3 Bottom 1 ▲ Ranking Increased ▼ Ranking Decreased

Table 6 Infrastructure and Connectivity Dimension: 2025–2026 Ranking Comparison and 2026 Scores

3.3.2 City Spotlights & Key Insights of Changes

The 2026 Infrastructure and Connectivity dimension reveals entrenched stability at the top alongside meaningful movement in the mid and lower ranks. The top three positions remain unchanged from 2025, underscoring the enduring leadership of Seoul, Hong Kong, and Singapore as the premier hubs in Northeast and Southeast Asia continue to set the benchmark. Gains in external connectivity, particularly air linkages, together with improvements in logistics efficiency and information exchange, proved decisive for climbers such as Bangkok and Mumbai. Notably, those cities, such as Seoul, Hong Kong, Singapore, as well as Tokyo, that achieved balanced progress across both hard infrastructure and soft connectivity pillars delivered a stronger overall performance, underscoring how modern urban competitiveness in Asia increasingly depends on the seamless integration of physical systems and digital capabilities.

Top Performance and Dynamic Changes

Seoul continues to dominate as one of Asia's premier cities, maintaining its top ranking in the Infrastructure and Connectivity dimension through a powerful combination of advanced digital smart-city networks and record-breaking international aviation growth. As one of the region's most advanced hubs, Seoul continues to set benchmarks in urban connectivity through sophisticated smart-city initiatives and the seamless integration of technology into daily mobility.

Seoul maintained its first-place position in the Infrastructure and Connectivity dimension, delivering remarkable metrics across multiple pivotal areas and demonstrating that long-term, systemic investments continue to secure the city's competitive edge. It retained its dominant first place in Digital Connectivity due to the city's sustained and comprehensive investment in integrated smart-city infrastructure. Through initiatives like S-Net (the city's core information and communication backbone), S-Data platforms[xxxi], and comprehensive digital twin systems[xxxii], the city has created an exceptionally responsive and intelligent urban environment. This sophisticated digital foundation delivers unparalleled real-time data sharing, operational efficiency, and capacity for innovation, positioning Seoul as a low-friction, high-performance gateway in Asia.

The city also advanced to the second place of the External Connectivity – Air metric, propelled by a record-high international passenger count of 73.55 million in 2025, according to Incheon International Airport Statistics[xxxiii]. This robust performance in aviation connectivity successfully offset minor contractions elsewhere. Specifically, these headwinds included reduced satisfaction with seaport and road efficiency in the business executive survey, decreased confidence in business insight and exchange with emerging and established markets, and a decline in media openness and freedom as recorded in the 2025 Press Freedom Index[xxxiv]. Ultimately, these balanced dynamics allowed Seoul to maintain its definitive leadership within the overall Infrastructure and Connectivity dimension.

Hong Kong retained second place through strong performance in connectivity sub-dimensions. Its strategic location, world-class airport infrastructure with record air passenger growth and Terminal 2 expansion, and seamless Greater Bay Area integration continue to position the city as Asia's leading aviation and logistics gateway. Supported by robust infrastructure and rising business confidence, these strengths reinforce Hong Kong's resilience as a global business hub.

Hong Kong maintained its runner-up spot with remarkable consistency across most sub-dimensions. This strong performance was driven by one of its outstanding results: Hong Kong International Airport, which handled a record 61 million passengers in 2025, a 15% year-on-year increase, alongside 5.07 million tonnes of air cargo[xxxv], reaffirming its position as the world's busiest air cargo hub. The completion and full operation of the new Terminal 2 (T2) building in 2026 further enhanced passenger handling capacity and operational efficiency, reinforcing Hong Kong's position as a premier international aviation gateway[xxxvi].

Besides, these aviation strengths were complemented by highly efficient port operations and robust maritime connectivity. The Port of Hong Kong maintained robust throughput at around 13.67 million TEU in 2024, according to Lloyd's List[xxxvii], benefiting from its strategic position as a primary international transhipment node for Chinese Mainland. Hong Kong's rise to fourth place in Logistics Efficiency for Business reflects improved respondent sentiment that the city's policy framework is becoming more accommodating to international business travel. Survey results also indicated rising perceptions of the accessibility of business insights from both emerging and established markets, as well as greater transparency of international information.



While Hong Kong experienced minor declines in the IMD Smart City Index 2025[xxxviii] and the Press Freedom Index 2025[xxxix], these were effectively offset by its strong hard infrastructure performance and improving business sentiment. Importantly, these dynamics underscore Hong Kong's enduring strength as a resilient, well-connected international hub. Sustained investment in world-class aviation and maritime infrastructure, combined with closer integration with the Greater Bay Area, continues to safeguard its competitive edge even amid softer perceptions in certain digital and openness indicators. This positions Hong Kong favourably to capitalise on regional trade flows and maintain its attractiveness as a gateway for global business in Asia.

Singapore secured its third-place ranking. As a premier global logistics and transhipment hub with exceptional city-state advantages, Singapore continues to benefit from its strategic location, world-class port and highly efficient business ecosystem.

Singapore preserved its position through a balanced trade-off of strengths across key sub-dimensions. A major catalyst for this performance was the Port of Singapore, which achieved record performance in 2025, handling 44.66 million TEUs, an 8.6% increase from 2024 and 3.22 billion gross tonnage of vessel arrivals[xli]. This outstanding performance is further reinforced by Singapore's advanced digital trade platforms and highly efficient customs clearance processes[xlii], which consistently rank among the world's fastest and maintain its position as a critical node in global supply chains. Furthermore, business sentiment in the survey reflected growing confidence in the convenience of domestic travel. These gains were partially offset by surveyed business executives' perception of lower efficiency in cross-border air transport services, particularly in-flight frequency, punctuality, and pricing competitiveness relative to top rivals. Additionally, respondents expressed lower perceptions of the availability and accessibility of timely business insights, news, and corporate trade events related to emerging and established markets in the region.

Singapore's ability to sustain top-tier performance across non-air connectivity, logistics efficiency, and digital infrastructure underscores its enduring role as a trusted, high-efficiency global trade hub. By leveraging world-class port operations and digital trade facilitation, Singapore continues to enhance supply chain resilience and attractiveness for international business, even as perceptions of air transport competitiveness and emerging-market information access present areas for targeted improvement. This balanced strength profile positions Singapore favourably to capitalise on evolving regional trade flows and maintain its strategic importance in Asia's connectivity landscape.

Major Ranking Changes in Cities

Bangkok recorded the largest overall gain, advancing two positions to fifth. This upward momentum was driven by increased survey respondents' confidence in Bangkok's emergence as a dynamic regional information connectivity hub. This structural shift is underpinned by hyperscale cloud commitments from global tech giants, including AWS, Google, and Microsoft, as well as deeper integration into international subsea cable networks. This robust digital infrastructure, complemented by the government's open-data initiatives and Bangkok's role as a primary MICE (Meetings, Incentives, Conferences, and Exhibitions) hub[xliii] in Southeast Asia, has significantly accelerated regional business exchanges and enhanced data and information transparency for international enterprises. Furthermore, Bangkok boasts a concentration of over 10 of the world's leading international news media bureaus, including Reuters, Bloomberg News, BBC, The New York Times, NBC, and Xinhua News. Collectively, these developments have significantly boosted executive confidence in the city's information accessibility, market insights, and regional data-sharing capabilities, establishing Bangkok as an increasingly competitive ASEAN gateway.

Taipei experienced the largest decline among the group, dropping two positions to seventh. This downward movement was mainly driven by a significant contraction in the Container Port Throughput, which dropped to 1.44 million TEUs in 2024, an 11% year-on-year decline[xliv]. The reduction largely reflected structural shifts, as major shipping alliances restructured their networks and consolidated operations at the larger Port of Kaohsiung, while Taiwan's economic growth became increasingly dominated by the AI boom and high-end semiconductor exports, cargo types that are predominantly transported by air rather than sea. These developments were compounded by lower business executive perception of seaport efficiency.

Executive sentiment was also tempered regarding Taipei's performance in knowledge sharing and information exchange with markets, compared with faster-improving regional peers. This softer perception persisted despite a positive shift in Taiwan's 2025 Press Freedom Index score, which climbed to 77.0 from 75.5 the previous year[xlv]. This sentiment deficit was partially offset by aviation strengths, as Taoyuan International Airport continued to record a healthy 6.4% year-on-year expansion, handling 47.8 million passengers in 2025[xlvi]. The city's ongoing digital transformation initiatives have yet to deliver the highly visible breakthroughs achieved by rival hubs, resulting in Taipei's relative slide within the overall Infrastructure and Connectivity dimension.

Mumbai advanced one place to 10th, underpinned by the synergy of upgraded physical transport infrastructure and improved digitalisation, as validated by rising executive confidence in its cross-border ecosystems. At Chhatrapati Shivaji Maharaj International Airport (CSMIA), international passenger traffic reached 15.6 million in 2024[xlvii], a 39% year-on-year increase, supported by network expansion with new direct routes to Tashkent, Almaty, and Russian hubs, and the entry of carriers including Nok Air, Thai VietJet, Salam Air, Uzbekistan Airways, and Air Astana[xlviii]. International air cargo volumes grew 19% to reach 889,900 Metric Tonnes in 2024[xlix], driven by demand from pharmaceuticals, agro-products, and automotive goods, and bolstered by six new dedicated cargo airlines—such as Kenya Airways, SF Airlines, and SolitAir—which extended the airport's reach to 687 international destinations[l]. Executives' survey expressed greater confidence in the city's cross-border air connectivity.

Jawaharlal Nehru Port Authority (JNPT) achieved container throughput of 12.84 million TEUs in 2024[li], an 8% year-on-year increase, enabled by advanced private terminals, digital port ecosystems that reduced vessel waiting times, and the Dedicated Freight Corridor for efficient rail clearance. Executive respondents also noted improved confidence in cross-border seaport services.

Complementing these physical gains, Mumbai's evolving digital economy, through broader internet coverage and rising e-commerce adoption, has further optimised trade efficiency. By integrating infrastructure upgrades, intermodal connectivity, and digital penetration, Mumbai positions itself as a high-efficiency, high-velocity hub for international transit and trade.

3.3.3. Way Forward

The 2026 results in the Infrastructure and Connectivity dimension indicate that although physical infrastructure across leading Asian cities remains highly advanced, future competitiveness is increasingly determined by the quality of soft connectivity, particularly openness in information exchange, access to market insights, and intellectual collaboration. Cities that achieved strong gains, such as Bangkok, demonstrated the growing importance of digital infrastructure and information accessibility. In contrast, Taipei's decline was partly influenced by softer perceptions of knowledge sharing and information exchange with regional markets. These developments suggest that modern urban competitiveness in Asia now requires more than world-class airports, ports, and digital networks. An international city must also excel at creating open, accessible, and transparent information ecosystems that enable businesses to navigate complex regional markets effectively.

Looking ahead, the distinction between leading and emerging cities is likely to widen based on their ability to integrate hard infrastructure with advanced digital and information connectivity. As Asian economies continue to deepen intra-regional linkages while navigating global fragmentation, cities that can provide seamless access to timely market intelligence, facilitate intellectual collaboration, and support efficient cross-border information flows will gain a distinct advantage.

03 DIMENSION 4 Innovation and Ideas

3.4. Introduction

An international city' s long-term global influence and competitiveness hinge on its capacity for innovation and original ideas, a defining strength of the Richness and Openness to Resources and Ideas. Driving technological breakthroughs, fostering entrepreneurship, and sustaining economic growth require a powerful mix of world-class R&D investment, vibrant knowledge exchange, and elite global talent. In today' s landscape of rapid technological disruption, true leadership demands more than the generation of novel concepts. An international city must also successfully commercialise these ideas, leveraging robust ecosystems and international collaboration to translate innovation into measurable real-world impact. By nurturing the diversity and abundance of resources, including human capital, financial capital, knowledge exchange, and technology, and remaining open to disruptive and diverse ideas and perspectives, this attribute fuels creativity and drives long-term development for an international city.

3.4.1 Dimension Performance Snapshot

In 2026, Shanghai remains the undisputed leader in the Innovation and Ideas sector, reinforcing its reputation as Asia' s primary engine of ingenuity. Directly below the top spot, Seoul' s and Hong Kong' s upward momentum pushed them into second and third place, nudging Singapore down to fourth, while Tokyo demonstrated solid consistency in the fifth. The top five cities continue to dominate Asia' s innovation and ideas landscape, each leveraging unique strengths in research investment, knowledge exchange, talent attraction, and vibrant ecosystems.

While the leading positions in this dimension remained relatively stable, notable volatility was observed among mid- to lower-tier cities. Bangkok emerged as a key climber, ascending to seventh place, credited to its recalibrated strategy to attract international R&D talent and tech expertise while leveraging competitive labour costs to capture global tech enterprise setup business. Taipei mirrored this positive trend, advancing one place to 10th through enhanced research productivity, greater talent appeal, and improved executive sentiment in the survey on the innovation environment. On the other end of the spectrum, Jakarta, Ho Chi Minh City and Kuala Lumpur faced setbacks, each dropping one or two spots as they struggled to sustain business executives' confidence in R&D investment and talent-attraction efforts, amid slower progress in ecosystem maturity.

		Dimension 4 Ranking 2025 vs. 2026			Dimension 4 Innovation and Ideas Score - 2026				
					D4	D4.1	D4.2	D4.3	D4.4
	SCORING (Max 100)	2025 Ranking	Change in Ranking	2026 Ranking	Innovation and Ideas	Research and Innovation Investment	Knowledge and Innovation Exchange	International Talent Attraction	Innovation Ecosystem
Top Markets	Shanghai	1	+0	1	74.9	88.0	55.5	72.6	83.7
Top Markets	Seoul	3	▲+1	2	62.2	58.6	59.9	66.4	64.0
Top Markets	Hong Kong	4	▲+1	3	61.0	51.2	52.1	85.5	55.1
	Singapore	2	▼-2	4	60.6	68.4	46.8	65.0	62.0
	Tokyo	5	+0	5	59.8	64.3	64.0	60.8	49.9
	Mumbai	6	+0	6	51.3	61.1	28.2	49.9	66.1
	Bangkok	10	▲+3	7	44.5	41.6	31.3	49.1	56.2
	Jakarta	7	▼-1	8	44.3	43.3	32.8	45.6	55.3
	Ho Chi Minh City	8	▼-1	9	43.7	42.5	33.7	45.0	53.7
	Taipei	11	▲+1	10	43.2	39.9	29.4	57.1	46.5
	Kuala Lumpur	9	▼-2	11	41.1	37.0	34.3	45.4	47.8

● Top 1 ● Top 2-3 ● Bottom 2-3 ● Bottom 1 ▲ Ranking Increased ▼ Ranking Decreased

Table 7 Innovation and Ideas Dimension: 2025–2026 Ranking Comparison and 2026 Scores

3.4.2 City Spotlights & Key Insights of Changes

The 2025 to 2026 results in the Innovation and Ideas Dimension highlight a highly competitive landscape, with notable stability at the top and meaningful movement in the mid- to lower-tier ranks. Shanghai, Seoul, Hong Kong, Singapore, and Tokyo, the top five cities, continue to dominate Asia's innovation and ideas landscape, each leveraging unique strengths in research investment, knowledge exchange, talent attraction, and vibrant ecosystems. Improvements in research and innovation investment, international talent attraction, and innovation ecosystem development were decisive in the rise of cities such as Bangkok and Taipei. Those cities that achieved balanced advancements across research investment, knowledge exchange, and ecosystem vitality generally delivered the strongest performance, underscoring how deeply interconnected these elements have become in driving innovation competitiveness across Asia.

Top Performance and Dynamic Changes

Shanghai continued to lead the Innovation and Ideas dimension with commanding performance. The city's strong showing is anchored by significantly improved international talent attraction, a dynamic startup ecosystem, and supportive policy and institutional frameworks. Serving as Chinese Mainland's primary innovation and technology hub, Shanghai continues to draw strength from robust national backing and extensive integration with global research and development networks.

Shanghai maintained its dominant first place in the Innovation and Ideas dimension. This leading position is underpinned by robust investment in and output of innovation, strong international talent mobility, and a dynamic startup ecosystem. In 2025, Shanghai raised USD 3.9 billion in startup funding, as reported by Startup Blink[lii], the highest among the assessed 11 Asian cities. Data from the Talent Flow Data Archive Hub at the Academy of Innovation, City University of Hong Kong (CityU HK), show that Shanghai recorded approximately 6,000 research talent[1] inflows and over 3,500 outflows in 2024, representing more than 100% year-on-year growth compared with the previous year. The city is also home to approximately 31 unicorn startups as of 2026[liii], particularly in AI, biomedicine, and integrated circuits. The significant growth in research talent flows underscores the increasing importance of international mobility in sustaining urban innovation capacity, while the concentration of unicorns in strategic sectors and a vibrant investment ecosystem highlight Shanghai's ability to translate policy support and research strength into scalable commercial outcomes.

These strengths are reinforced by substantial government support through major initiatives under the 15th Five-Year Plan (2026–2030), and by significant investment in frontier technologies, which has further strengthened its innovation ecosystem. Executive survey responses further indicate heightened perceptions of companies' willingness to embrace risky or disruptive business ideas, a trend supported by broader AI-driven momentum across the country. [liv]World-class research institutions and deep collaboration networks with global partners have enabled Shanghai to serve as Chinese Mainland's primary innovation engine. These advantages have allowed the city to pull ahead of other cities and solidify its position as Asia's foremost innovation powerhouse in 2026.

1 Research talent mobility refers to the number of cross-border inflows and outflows of scholars who published in topical journals.



Seoul advanced to second place in the Innovation and Ideas dimension, credited to its improved innovation output, international talent mobility, and a thriving innovation ecosystem with substantial investment in R&D. As South Korea's innovation capital, the city draws significant momentum from proactive R&D policies and close collaboration among the government, top universities, and leading corporations.

Seoul moved up to second place in the Innovation and Ideas dimension in 2026, remaining closely competitive with the third- and fourth-ranked cities. Its advancement was driven by tangible gains in R&D output and international talent exchange, underpinned by proactive government talent-attraction programmes, competitive visa policies for academic researchers and high-level scientists, and world-class universities. According to CityU HK, Seoul recorded approximately 4,500 research talent inflows and over 4,000 outflows in 2024, representing a 47% increase compared to 2023. This expanding talent circulation is reflected in Seoul's strong innovation output, with WIPO ranking South Korea as the world's fifth- largest innovation cluster in 2025[lv]. According to CityU HK, over 18,000 international patents have been filed by both private companies and academia and almost 3,300 publications have been published in topical journals in the city in 2024, demonstrating the city's ability to convert talent acquisition into tangible outputs. Complementing these strengths, the Seoul Metropolitan Government plans to inject KRW 42.5 billion (around USD 27.8 million) in 2026, its largest R&D investment in the past five years, into the Seoul-style R&D Program to strengthen end-to-end support for AI-driven innovation and business growth. [lvi]More than half of the selected projects focus on AI and AI-convergence technologies, reinforcing the city's "Seoul Innovating with AI" agenda. Anchor corporates such as Samsung and SK Hynix continue to play a pivotal role, accounting for around 79% of Korea's total R&D spending[lvii] in frontier domains, including semiconductors, AI, and advanced batteries.

Seoul's integrated ecosystem, spanning venture capital attraction, public and private R&D investment, and international talent mobility, has enabled it to stand as one of Asia's most competitive innovation hubs. This performance demonstrates the effectiveness of a well-integrated ecosystem that connects proactive policy support, world-class research institutions, anchor corporates, and responsive private capital, a model that delivers a durable competitive advantage in Asia's rapidly evolving innovation landscape.

Hong Kong rises to third in this dimension, supported by strong R&D output and international research talent inflows, alongside increased executive satisfaction in R&D financing backed by major government initiatives. Consequently, the city is gradually cementing its status as an emerging innovation hub in Asia.

Hong Kong maintained its upward momentum in the Innovation and Ideas dimension despite mounting pressures in its innovation ecosystem, where slower startup scaling and a limited unicorn base of only seven companies highlighted gaps in late-stage venture development. These challenges were partially offset by strong inflows of international talent and improved innovation output. According to CityU HK, Hong Kong exchanged over 14,000 high-skilled international research talents through various admission schemes in 2024, more than double the approximately 7,000 recorded in 2023 and the highest figure among the 11 assessed cities. This significant influx has expanded the city's research workforce and strengthened its capacity for commercially relevant research, as reflected in nearly 3,400 publications in topical journals in 2024, of which 77% involved international collaboration.

Executive surveys show increased satisfaction in accessing R&D financing and greater recognition of government support for both local and international startups. This positive shift is underpinned by the HKSAR Government's substantial capital commitments in 2025 and 2026. Notable measures include the rollout of the HK$10 billion (approximately USD 1.3 billion) I&T Industry-Oriented Fund[lviii] and the HK$3 billion (over USD 380 million) AI Subsidy Scheme[lix], which have lowered barriers to capital for technical experimentation. In addition, the Hong Kong Investment Corporation (HKIC) has achieved a strong 1-to-8 leverage effect, attracting HK$8 in private venture capital for every HK$1 of government funding[lx]. A further HK$10 billion deployment toward venture funding in the Hetao Co-operation Zone[lxi] further demonstrates the government's active role in co-sharing innovation risks with the private sector.

Hong Kong's core strengths in talent attraction, strong government funding support and cross-border knowledge exchange, reinforced by improved stakeholder perceptions of the city as an emerging innovation centre, have provided a resilient foundation that helped sustain its competitiveness in Asia's rapidly evolving innovation landscape.

Despite a mature startup ecosystem, solid private funding, and strong state backing, Singapore fell to fourth place in the Innovation and Ideas dimension for 2026. Its decline reflects mounting pressure from rising living and talent costs and faster-moving regional hubs that are gaining ground in talent attraction and startup growth. To sustain Singapore's long-standing innovation edge will require renewed focus on talent competitiveness and late-stage ecosystem support amid growing regional competition.

Singapore slipped to fourth place in the Innovation and Ideas dimension in 2026, narrowly trailing Hong Kong. The city's innovation ecosystem remains anchored by a mature startup landscape, home to 16 unicorns[lxii] and relatively robust investment activity. According to Startuplink, startup fundraising reached approximately USD 2.6 billion in 2025[lxiii], the second highest among the 11 assessed cities. This private-sector momentum is reinforced by sustained public commitment through the Research, Innovation and Enterprise (RIE) 2025 plan and its SG$25 billion (USD 19.4 billion) commitment to R&D and startup growth[lxiv], further reinforcing Singapore's position as a serious innovation hub.

However, these structural strengths were increasingly offset by softer executive perceptions. Rising living costs and international talent expenses, partly driven by policies prioritising local employment, have placed growing pressure on Singapore's ability to attract and retain global talent. This challenge is set to intensify with the government's decision, announced in Budget 2026, to raise the minimum qualifying salaries for both Employment Pass (EP) and S Pass holders effective 1 January 2027[lxv]. While the increases apply immediately to new applications, signalling a continued policy tilt toward protecting local employment, this may further elevate talent costs.

At the same time, peer cities such as Hong Kong strengthened their performance in talent mobility and late-stage startup development, narrowing Singapore's relative strengths in these areas. Although the city retains solid fundamentals, the combination of rising talent costs and intensified regional competition indicates that its long-established innovation edge is facing greater contestation. Sustaining its competitive position will likely require renewed attention to talent competitiveness and late-stage ecosystem support, alongside continued R&D investment, to prevent further erosion of its standing in an increasingly dynamic regional landscape.

Major Ranking Changes in Cities

Bangkok climbed three positions to seventh. This improvement was propelled by a strong, heightened level of confidence among executive survey respondents in the city's growing appeal to international talent and its emerging startup environment. These strong sentiments were mainly driven by proactive government measures to position Bangkok as a regional innovation hub. The Board of Investment's (BOI) 2026 investment promotion package introduced the Thailand FastPass programme to fast-track large-scale tech projects, alongside expanded tax incentives for companies combining business operations with local R&D activities. Ecosystem access was further enhanced through a fully digitalised e-work permit system and streamlined SMART Visa processes for tech founders[lxvi].

These initiatives have attracted rising innovation-related investment, including new regional innovation and AI research centres established by global tech firms such as Google, Microsoft, and Huawei[lxvii]. Strong demand for specialised talent, particularly engineers in hyper-automation, AI, and net-zero technologies, has driven 15-25% salary increases for senior roles in Bangkok[lxviii]. Combined with Bangkok's relatively affordable cost of living, these factors have strengthened the city's position as an increasingly attractive mid-tier innovation destination in Southeast Asia.

Taipei advanced to tenth place, supported by stronger R&D output, improved international talent mobility, and more favourable executive perceptions of the city's financing and capital accessibility for research and innovation, alongside enhanced local government support. According to CityU HK, Taipei recorded over 3,000 international patent filings in 2024, representing a 41% year-on-year increase. International researcher inflows and outflows also rose by more than 40%, reaching nearly 6,000. These gains reflect Taiwan's proactive efforts to strengthen innovation and research. Recent policy amendments are expected to boost private startup investment to approximately NT$3 billion (USD 95 million) in 2026 and increase angel investment value from NT$600 million in 2024 to around NT$2.2 billion (USD 69.7 million)[lxix]. By expanding access to startup capital and reducing barriers to early-stage financing, these measures are strengthening Taipei's ability to translate research activity into commercially viable innovation, reinforcing its emergence as a technology hub in Asia.



Ho Chi Minh City and **Kuala Lumpur** both recorded declines in this dimension, reflecting weaker respondent confidence in the foundations needed to sustain innovation-led growth. In Ho Chi Minh City, the decline was concentrated in international talent attraction and startup ecosystem development, with respondents viewing the city as less competitive in attracting global research talent and scaling a mature innovation environment; its unicorn base also remained unchanged at only 2 companies[lxx] . Kuala Lumpur's drop was driven more by weaker investment in research and innovation, as Malaysia's R&D spending remained relatively low at around 1% of GDP[lxxi] and its SME-heavy economy continued to limit private-sector capacity for long-term technology investment. Together, these trends suggest that both cities retain innovation potential but are losing ground to regional peers that are moving faster to build research depth, attract talent, and support scalable startup growth.

3.4.3. Way Forward

The 2026 results in the Innovation and Ideas dimension reveal a clear and accelerating divergence among Asian cities. Shanghai has established a commanding lead through its exceptional ability to attract international research talent, mobilise large-scale startup funding, and convert policy support and research strength into a high concentration of unicorns. Seoul and Hong Kong have advanced by leveraging substantial government funding initiatives to attract highly skilled professionals. In contrast, Singapore has slipped as rising talent costs and slower progress in unicorn creation have eroded its previous advantage amid intensifying regional competition.

These developments carry important implications. For businesses and investors, a city's ability to attract and retain international research talent, combined with accessible late-stage funding and a supportive regulatory environment for scaling startups, is becoming a decisive factor in location decisions. Cities that can offer not only depth of research but also efficient pathways from innovation to commercialisation are gaining a clear edge. At the same time, the results highlight growing pressure on established hubs: even cities with mature ecosystems and strong fundamentals are finding it increasingly difficult to maintain their positions without addressing talent competitiveness and late-stage ecosystem support.

Looking ahead, the gap between leading and emerging innovation hubs is poised to widen, given their capacity to sustain integrated ecosystems and adapt to transformative technologies like AI. For rising international innovation centres in the region, the clear lesson is that long-term state planning must be paired with efforts to build executive confidence and organisational openness to disruptive ideas.



03 DIMENSION 5 Human Capital Diversity

3.4. Introduction

Human Capital Diversity underpins the vibrancy and resilience of an international business and innovation hub. Cultivating a diverse population, world-class educational institutions, and an inclusive workforce is vital for drawing global talent, driving innovation, and sustaining economic growth. To keep pace with shifting industry demands and lead the global talent market, an international city must continuously refine their educational frameworks, talent acquisition policies, and workplace inclusivity. Against a backdrop of sharpening regional competition for skilled professionals and shifting demographic realities, this city is dedicated to fostering a vibrant, diverse, and highly skilled workforce that will power its future innovation and prosperity.

3.5.1 Dimension Performance Snapshot

Singapore maintained its dominance in the Human Capital Diversity dimension in 2026, securing the top spot with solid metrics across the board. Its leadership reflects the city's highly international population, world-class educational institutions, and inclusive workforce policies. Hong Kong and Kuala Lumpur securely retained second and third places, respectively, leveraging their strong educational resources, open talent policies, and multicultural environments.

While movement among mid-tier cities remained limited, greater shifts were observed in the lower tier. Mumbai achieved the most notable gain by climbing one spot to 10th, driven by better performance in openness to international workers, as well as improvements in talents' international mindset and multilingual proficiency. In contrast, Ho Chi Minh City experienced a slight drop, slipping one position to 11th. The decline was mainly due to relatively weaker high-level educational quality and less favourable executive perceptions regarding talent mobility across multiple markets and the availability of diverse working opportunities.

	SCORING (Max 100)	Dimension 5 Ranking 2025 vs. 2026			Dimension 5 Human Capital Diversity Score - 2026			
		2025 Ranking	Change in Ranking	2026 Ranking	D5 Human Capital Diversity	D5.1 Population Diversity	D5.2 Educational Resources	D5.3 Workforce Diversity
Top Markets	Singapore	1	+0	1	75.1	87.2	64.7	73.3
Top Markets	Hong Kong	2	+0	2	73.8	67.9	84.8	68.7
Top Markets	Kuala Lumpur	3	+0	3	67.2	67.6	68.6	65.5
	Bangkok	4	+0	4	56.4	47.7	41.0	80.6
	Seoul	5	+0	5	52.8	44.5	52.1	61.7
	Tokyo	6	+0	6	50.9	46.1	43.8	62.7
	Taipei	7	+0	7	47.0	42.4	36.2	62.4
	Shanghai	8	+0	8	44.5	36.7	32.1	64.8
	Jakarta	9	+0	9	41.9	40.9	18.1	66.6
	Mumbai	11	▲+1	10	40.3	39.2	15.7	66.1
	Ho Chi Minh City	10	▼-1	11	39.1	42.9	7.1	67.3

Top 1 Top 2-3 Bottom 2-3 Bottom 1 ▲ Ranking Increased ▼ Ranking Decreased

Table 8 Human Capital Diversity Dimension: 2025–2026 Ranking Comparison and 2026 Scores

3.5.2. City Spotlights & Key Insights of Changes

The Human Capital Diversity rankings in 2026 reveal exceptional stability among the top- and mid-tier cities, with only minor shifts in the lower tier. Advancements in workforce diversity were a major catalyst for Mumbai's upward progress. Ultimately, cities that secured well-rounded improvements across demographic diversity, educational quality, and workforce integration delivered the strongest performances. This trend highlights the critical role an inclusive and diverse talent pool plays in driving a city's long-term global competitiveness.

Top Performance and Dynamic Changes

Singapore reinforces its position as Asia's leading human capital hub in 2026, demonstrating strong performance across the Human Capital Diversity dimension. The city-state continues to attract top global talent through its diverse communities, world-class academic institutions, and vibrant multicultural workforce. However, this openness coexists with a deliberate policy focus on protecting local employment, which has tempered executive confidence. Despite these pressures, Singapore remains one of Asia's most competitive and dynamic human capital hubs.

Singapore reinforces its position as a global talent melting pot, demonstrating targeted progress in most areas of the human capital diversity dimension. The city-state's competitive edge is anchored by its deeply multicultural demographic fabric, a world-class educational ecosystem, and a sophisticated infrastructure for elite talent acquisition. According to local government data, foreign residents make up roughly 31% of the population[lxxii], and the number of foreign workers has been recorded at approximately 1.64 million in 2025[lxxiii], among the highest proportions in Asia. To sustain this advantage, Singapore has rolled out forward-looking initiatives such as the Global Investor Programme, the Overseas Networks & Expertise (ONE) Pass[lxxiv], and ongoing enhancements to employment passes. Effective July 1, 2025, Singapore has abolished the maximum employment period, which previously ranged from 14 to 26 years, depending on factors such as sector, skill level, and country of origin[lxxv]. These measures, supported by proactive workforce diversity policies, have helped sustain a highly skilled and multicultural labour force.

However, this open-door strategy for elite professionals exists alongside a parallel focus on safeguarding local employment. This dual approach has created a stark divergence in sentiment. Executive interview and survey respondents express noticeably less confidence in the government's openness to mid-tier international workers, citing a perceived lack of diverse and attractive opportunities for broader foreign talent. This pressure is set to intensify following the Budget 2026 announcement, which will raise the minimum qualifying salaries for both Employment Pass (EP) and S Pass holders effective January 1, 2027[lxxvi]. Consequently, Singapore faces a growing balancing act: maintaining its appeal to ultra-high-net-worth and niche global elites while tightening the guardrails on its broader foreign workforce.

Singapore's education sector further strengthens its human capital advantage. In the latest QS World University Rankings 2026, the National University of Singapore (NUS) placed 8th globally, and Nanyang Technological University (NTU) ranked 15th[lxxvii]. Through its consistent excellence in educational resources, Singapore remains the clear frontrunner, solidifying its reputation as one of Asia's most vibrant, open, and competitive human capital hubs in 2026.

Hong Kong secured a strong second place, closely following the leader. By capitalising on its open common-law framework and status as a premier international financial centre, the city's performance is further reinforced by a highly aggressive talent-acquisition architecture. It continues to serve as a powerful magnet for global talent and a key driver of diverse human capital development in Asia.

Hong Kong maintained its runner-up spot with remarkable consistency across most dimensions. This performance is reinforced by Hong Kong's success in attracting high-calibre international professionals. As of end-January 2026, various talent admission schemes, including the Top Talent Pass Scheme, received over 155,000 applications, with around 126,000 approved[lxxviii]. This influx is strongly reflected in external benchmarks: in the IMD World Talent Ranking 2025, Hong Kong leapt to fourth place globally[lxxix], its highest-ever position, signalling that the current administration's targeted talent-attraction policies are yielding measurable structural results.

In parallel with this policy momentum, Hong Kong's academic infrastructure continues to anchor its regional competitiveness. In the QS World University Rankings 2026, the University of Hong Kong (HKU) ranked 11th, the Chinese University of Hong Kong (CUHK) ranked 32nd, the Hong Kong University of Science and Technology (HKUST) ranked 44th, the Hong Kong Polytechnic University (PolyU HK) ranked 54th, and City University of Hong Kong (CityU HK) ranked 63rd globally[lxxx]. Leveraging its common law system and open talent scheme, Hong Kong has built a highly diverse and skilled workforce. These strengths have driven its competitive edge and enabled Hong Kong to maintain a strong runner-up position in the Human Capital Diversity dimension.

Kuala Lumpur maintained its third-place ranking. As a major regional business and cultural hub in Southeast Asia, Kuala Lumpur continues to leverage its multicultural demographic fabric, an expanding international educational ecosystem, and a highly diversified workforce. These structural attributes reinforce Kuala Lumpur's positioning as an increasingly attractive, cost-competitive destination for the deployment of regional capital and global talent.

Kuala Lumpur preserved its podium position with remarkable consistency across some key sub-dimensions. It retained strong performance in Population Diversity and Educational Resources, with only slippage in Workforce Diversity. This stable performance is underpinned by a robust international academic infrastructure; according to the International Schools Database, Kuala Lumpur hosted 71 international primary and secondary schools in 2025[lxxxi]. This density represents a critical structural asset, as shown in the 2026 Survey, where adequate support for families (e.g., medical, education, etc.) has become a more important factor for executives in motivating and living in a city.

Furthermore, the city leverages its role as a melting pot of cultures and religions to attract both local and regional talent across services, finance, and tourism sectors. Leveraging its strategic location and relatively affordable cost of living compared to Singapore and Hong Kong, Kuala Lumpur has attracted a diverse and growing workforce. In 2025, the government's continued promotion of the Malaysia My Second Home (MM2H) programme and Talent Corp initiatives has helped sustain this diversity[lxxxii]. These strengths have enabled the city to maintain a competitive edge in human capital development.



Major Ranking Changes in Cities

Mumbai advanced to 10th in the Human Capital Diversity dimension. This upward movement reflects growing executive confidence in the city's expanding and increasingly diverse labour force, as well as in the city's ability to attract more knowledgeable and skilled workers. As India's financial and commercial capital, Mumbai continues to attract a massive pool of skilled professionals from across the country and abroad, particularly in finance, IT, media, and services sectors. The city's strategic importance as the home of the Bombay Stock Exchange and numerous multinational corporate headquarters has further strengthened its appeal to both domestic and international talent. This economic pull is increasingly supported by a rising academic profile, evidenced by a steady increase in the average proportion of international students enrolled in QS Top 300 universities[lxxxiii] located within the city. These developments have enabled Mumbai to gradually strengthen.

Ho Chi Minh City dropped one position to 11th in the Human Capital Diversity dimension, primarily due to less favourable executive perceptions of the city's overall human capital development, particularly in educational quality and diversity. While Ho Chi Minh City continues to benefit from a young and rapidly growing population, it has lagged behind faster-progressing regional peers in education standards and talent development. Leading institutions, such as Vietnam National University, Ho Chi Minh City (VNU-HCM), ranked outside the global top 500 in the QS World University Rankings 2026[lxxxiv], underscoring relative weaknesses in the quality of higher education and international diversity. This decline highlights a critical gap between Ho Chi Minh City's demographic strengths and its actual competitiveness in the international talent pipeline. However, despite a decline in international talent acquisition, interviewed experts have expressed optimism about Vietnam's technology sector, citing a growing 'reverse brain drain' as experienced Vietnamese professionals return from established economies such as the United States. While this influx of returnees provides a promising boost to local innovation, structural challenges persist at the municipal level. In a regional landscape where human capital quality increasingly dictates foreign investment and business expansion, weaker perceptions of local educational standards and socio-cultural diversity could constrain major Vietnamese hubs from fully attracting and retaining top-tier global and domestic talent.

3.5.3. Way Forward

The 2026 results in the Human Capital Diversity dimension indicate that while leading Asian cities continue to maintain strong positions through world-class universities and multicultural demographics, future competitiveness is increasingly determined by the quality of talent pipelines, the effectiveness of proactive and responsive talent attraction policies, and the strength of family-supportive infrastructure that enables long-term retention and integration of global talent. Cities that achieved notable gains, such as Mumbai, demonstrated the growing importance of expanding and diversifying labour pools alongside improvements in international student ratios at leading universities. In contrast, Ho Chi Minh City's decline was partly influenced by softer executive perceptions around educational quality and overall talent development. These changes suggest that modern urban competitiveness in Asia now requires more than elite academic institutions and high proportions of foreign workers or residents. An international city should also excel in creating open, inclusive, and high-trust talent ecosystems that enable businesses to access diverse, high-calibre skills, foster cross-cultural innovation and collaboration, and support the effective integration and retention of global talent through agile policies and comprehensive family support infrastructure.

Looking ahead, the distinction between leading and emerging cities is likely to widen based on their ability to integrate top-tier educational resources with agile, skills-based immigration frameworks, livable, family-friendly environments, and deliberate efforts to cultivate a global mindset among local talent. As Asian economies continue to deepen intra-regional talent flows and linkages while navigating global competition for specialised skills and demographic shifts, cities that can provide seamless access to diverse and high-quality talent, facilitate intellectual collaboration across borders, cultivate globally minded local talent, and ensure effective talent retention through responsive policies and supportive infrastructure will gain a distinct advantage in attracting investment, driving innovation, and supporting long-term sustainable business expansion.

03 DIMENSION 6 Cultural Interaction

3.6. Introduction

A city that embraces cultural diversity and promotes intercultural dialogue creates a dynamic and vibrant environment that attracts global visitors, businesses, and talent. The Cultural Interaction dimension evaluates the key elements that facilitate such exchanges, including tourism, international events, and openness to diverse cultures and traditions. Positioned as a higher-order, advanced assessment of a city's international maturity. This dimension measures how effectively a city leverages its baseline interconnectedness and resource richness to generate both tangible commercial vitality and intangible global influence. It captures a city's higher developmental stage: the ability to aggregate global minds, foster social integration, and translate meaningful local-international engagements into a vibrant, trend-setting environment that projects macro-level influence across the global network. By capturing these dynamic exchanges, the Index highlights how cities successfully convert cultural diversity into new social and commercial vitality, offering an essential lens for understanding and measuring a city's overall internationalness.

3.6.1 Dimension Performance Snapshot

Bangkok, Seoul, and Tokyo lead the Cultural Interaction dimension in 2026, forming the top tier despite shifts in their relative ranking positions. This leadership reflects their sustained ability to attract and engage global audiences through compelling tourism offerings, rich cultural assets, and internationally recognised experiences, positioning them as the region's most influential hubs for cultural interaction.

Bangkok rises to first place, driven by record-breaking international tourism arrivals. Named the world's most visited city in 2025, the city successfully combines historical and cultural attractions with immersive experiences that appeal to a diverse global audience. Seoul and Tokyo rank second and third, respectively. Seoul capitalises on its cultural openness and diverse entertainment offerings to captivate international visitors, delivering strong tourism growth and high global satisfaction scores. Tokyo continues to be a premier destination for international attention and cultural exchange, supported by its highly accessible, tourist-friendly urban environment.

Among the mid- to low-tier cities, the ranking shows gradual shifts. Kuala Lumpur, Taipei, and Ho Chi Minh City made small but consistent gains, mainly driven by continued growth in international tourism and improvements in visitor-oriented offerings, while Singapore and Jakarta lost ground, demonstrating the need for more proactive efforts to facilitate meaningful interaction between local and international communities in these cities.

	SCORING (Max 100)	Dimension 6 Ranking 2025 vs. 2026			Dimension 6 Cultural Interaction Score - 2026			
		2025 Ranking	Change in Ranking	2026 Ranking	D6 Cultural Interaction	D6.1 Cultural Exchange	D6.2 Cultural Facilities	D6.3 Resources for Visitors
Top Markets	Bangkok	2	▲+1	1	82.7	82.4	72.2	93.3
Top Markets	Seoul	3	▲+1	2	80.5	72.2	84.4	85.0
Top Markets	Tokyo	1	▼-2	3	76.4	58.6	85.9	84.6
	Hong Kong	4	+0	4	73.9	77.0	59.6	84.9
	Shanghai	5	+0	5	73.6	63.0	71.0	86.7
	Kuala Lumpur	7	▲+1	6	69.2	61.9	61.4	84.3
	Singapore	6	▼-1	7	67.9	60.3	59.6	83.6
	Taipei	9	▲+1	8	61.6	48.2	56.2	80.4
	Ho Chi Minh City	10	▲+1	9	61.2	43.6	52.5	87.3
	Jakarta	8	▼-2	10	58.8	37.4	52.8	86.1
	Mumbai	11	+0	11	56.0	36.8	51.5	79.5

Top 1 Top 2-3 Bottom 2-3 Bottom 1 ▲ Ranking Increased ▼ Ranking Decreased

Table 9 Cultural Interaction Dimension: 2025–2026 Ranking Comparison and 2026 Scores

3.6.2. City Spotlights & Key Insights of Changes

The 2025 to 2026 shifts in the Cultural Interaction dimension reflect a competitive yet resilient top tier, where leadership positions were maintained despite internal reshuffling, alongside selective movements in the mid-tier. Strength in international visitor appeal, cultural facilities, and global cultural exports proved especially influential for top performers such as Bangkok, Seoul, and Tokyo. Cities that demonstrated balanced strengths across both cultural exchange and visitor infrastructure generally performed better, highlighting the integrated nature of cultural attractiveness and global engagement in sustaining international relevance.

Top Performance and Dynamic Changes

Bangkok ranks first in the Cultural Interaction dimension, demonstrating strong capabilities in leveraging its cultural assets to create a vibrant and visitor-friendly environment. Building on its global appeal, Bangkok further strengthens its leadership through extensive hospitality infrastructure and a growing MICE sector that together attract a broad international audience.

Bangkok's top ranking in the Cultural Interaction dimension was primarily driven by its strong performance in international tourism attractiveness and visitor resources, spanning both leisure and business travel segments. The city offers one of the most extensive hospitality ecosystems in Asia, with over 147,000 hotel rooms according to Cushman & Wakefield's Bangkok Hotel Marketbeta 2025[lxxxv], ranging from luxury resorts to boutique heritage stays, enabling strong price-to-value competitiveness across all traveller segments.

Beyond infrastructure, Bangkok's leadership is reinforced by its unmatched scale in tourism and global appeal. The city was ranked the world's most visited in 2025, attracting 30.3 million overnight international visitors[lxxxvi], significantly ahead of other major Asian destinations. This volume is further reinforced by Bangkok's strong performance in the MICE sector. In the latest ICCA city rankings for 2024, Bangkok climbed to 7th globally, from 15th previously, hosting 115 international conventions and securing its position as the third most popular MICE destination in the Asia-Pacific[lxxxvii].

These scale advantages are further supported by high levels of perceived openness, cultural inclusivity, and quality of cultural and entertainment offerings, enabling Bangkok to deliver engaging and accessible experiences to a broad international audience across both leisure and business travel segments.

Seoul advanced to second place in the Cultural Interaction dimension in 2026, reflecting strong momentum in both global cultural influence and local engagement capability. The city's leadership is anchored by world-class infrastructure, events and sustained cultural exports, alongside increased visitor demand, reinforcing its position as a leading hub for experience-driven cultural tourism.

Seoul advanced to second place in the Cultural Interaction dimension, mainly due to a well-developed ecosystem of venues and attractions, including seven stadiums with capacities exceeding 10,000[lxxxviii], which enables it to host large-scale international events. Seoul's international tourist arrivals further reflect this momentum, recording 13.4 million in 2024[lxxxix] and estimated to exceed 15.0 million in 2025. The strong demand for Korean entertainment and cultural experiences extends beyond entertainment revenues, generating significant multiplier effects across the broader tourism economy. International visitors boost hotel occupancy, dining, and retail activity in key districts such as Hongdae and Gangnam, while also driving consumption in sectors such as K-beauty and merchandise.

Seoul's rise is further reinforced by its strong performance as a global MICE destination. According to the ICCA Globe Watch Business Analytics 2024, Seoul hosted 124 international conferences last year, climbing four places to rank 6th globally and 2nd in the Asia-Pacific region[xc], marking its highest position since tracking began in 2005. This synergy between world-class cultural and entertainment infrastructure, a thriving entertainment industry, and growing MICE capabilities enables Seoul to effectively convert cultural demand into sustained tourism and economic impact, supporting its advancement in the rankings.

Tokyo slipped to third, reflecting a relative softening in international engagement amid shifting regional dynamics. Tokyo's position remains firmly anchored by its world-class cultural infrastructure and longstanding reputation as a premier global heritage destination, despite some weaker sentiment outside.

Tokyo ranked third, as it excels with its unique blend of tradition and modernity, drawing international attention and facilitating cross-cultural exchange through outstanding cultural facilities, including ancient temples, renowned museums, and high-profile international film events. It also offers strong event infrastructure, with eight large-scale stadiums with capacities exceeding 10,000[xci], including iconic venues such as Tokyo Dome and the Japan National Stadium. Beyond entertainment infrastructure, Tokyo offers exceptional cultural depth, with a dense concentration of globally recognised museums, traditional theatres, and heritage landmarks such as Senso-ji. This combination of modern infrastructure and preserved heritage enables the city to deliver a rich and layered cultural experience to international visitors.

However, executive survey results indicate relatively lower perceptions of Tokyo's cultural and religious openness, as well as weaker satisfaction with public and cultural facilities and services. These softer perceptions may have been influenced by heightened geopolitical tensions with China in early 2026, which could have affected international audiences' views on the city's accessibility and openness, despite its strong structural advantages in cultural infrastructure and heritage.

Hong Kong maintained its fourth place in the Cultural Interaction dimension in 2026, supported by its strong positioning as an international cultural gateway bridging East and West. The city continues to leverage its diverse calendar of mega events, such as the Hong Kong International Film Festival and Art Basel Hong Kong, alongside ongoing investments in world-class infrastructure. These strengths reinforce Hong Kong's role as a key hub for cultural exchange and international engagement.

Hong Kong maintained its fourth-place position in the Cultural Interaction dimension in 2026, supported by improvements in Cultural Facilities and robust visitor resources. The most notable development in this area is the Kai Tak Sports Park, which commenced operations in 2025. As the city's largest integrated sports and entertainment complex, it provides a state-of-the-art venue capable of hosting mega sporting events and large-scale international concert tours. Executive survey results also indicate improved satisfaction with the quality and variety of cultural and entertainment events in the city.

To capitalise on this expanded capacity, the government has scaled up its "mega-events economy" strategy, first introduced in 2024, with a stronger focus on integrating large-scale cultural, sports, and entertainment events into Hong Kong's tourism and economic ecosystem[xcii]. Supported by the commissioning of Kai Tak Sports Park and reinforced by ongoing policy direction to develop "sports + mega-events," the city has hosted a growing number of global concerts, sporting fixtures, and cultural events, increasing both the frequency and scale of international engagement. According to government data, Hong Kong hosted over 210 mega events in 2024 and 93 in the first half of 2025, significantly increasing both the frequency and scale of international engagement[xciii].



Major Ranking Changes in Cities

Kuala Lumpur advanced one place to sixth in the Cultural Interaction dimension, driven primarily by a strong rebound in international visitor arrivals, which rose from 13.8 million in 2024 to 17.3 million in 2025[xciv], representing a 25% year-on-year increase.

Beyond visitor growth, the city's performance is supported by strong perceptions of cultural openness and inclusivity, particularly in its acceptance of diverse religions and communities. Kuala Lumpur's deep-rooted multicultural composition, anchored in its Malay, Chinese, and Indian heritage, functions as a strategic advantage, enabling it to appeal to a broad range of international markets. This diversity is reflected in its accessible cultural landscape, from multi-ethnic culinary offerings to widespread linguistic familiarity, lowering barriers to engagement. As a result, Kuala Lumpur is able to translate its cultural diversity into meaningful, experience-driven interaction, strengthening its position as an emerging hub for regional cultural exchange.

Jakarta fell two places to 10th in the Cultural Interaction dimension, reflecting a widening gap in its ability to translate cultural openness into effective international engagement. While the city showed slight improvements in perceived cultural openness and visitor-related resources, these gains were not sufficient to offset weaker performance in cultural exchange and event-driven interaction. Jakarta's decline was primarily driven by its limited capacity to facilitate large-scale cultural exchange. The city recorded one of the lowest levels of overnight international visitors in the group, with only approximately 2.8 million international visitors recorded for business and leisure in 2025 . This footprint indicates a relatively weaker global pull compared to its regional counterparts. Qualitative insights from interview respondents reinforce these figures, noting that Jakarta's inbound market remains heavily skewed toward domestic corporate travel, while leisure-driven international tourism continues to concentrate primarily in Bali. In addition, Jakarta lags in hosting high-profile international events, with a thinner pipeline of globally recognised concerts, festivals, and cultural programmes that typically drive cross-border engagement. While its cultural facilities and offerings remain present, they are largely oriented towards local audiences and lack the scale or international visibility needed to attract global performers and visitors. This imbalance between cultural openness and actual international participation has constrained Jakarta's overall performance in this dimension.

3.6.3. Way Forward

The 2026 results for the Cultural Interaction dimension highlight a clear shift in the drivers of competitiveness among Asian cities. While strong cultural infrastructure and heritage remain foundational, success is increasingly determined by a city's ability to combine scale (visitor volumes and event capacity) with perceived openness and the quality of the experience. Bangkok and Seoul have pulled ahead by effectively integrating world-class facilities, vibrant cultural offerings, and growing events hosting capabilities, turning cultural assets into sustained tourism and economic impact. In contrast, cities with strong structural foundations but weaker perceptions of openness, or those unable to convert cultural diversity into meaningful international engagement, have seen more limited progress.

These developments suggest that success in the Cultural Interaction dimension now requires more than strong heritage or event infrastructure alone. Cities must also deliver high-quality, accessible experiences while fostering genuine openness to international audiences. Leading cities demonstrate that success depends on creating environments where international visitors and talent feel welcomed, while also building the capacity to host large-scale events that generate broad economic multipliers.

Looking ahead, the gap between leading and emerging cities is likely to widen based on their ability to integrate hard infrastructure with soft factors such as cultural inclusivity, perceived openness, and the quality of visitor experiences. As competition for international visitors and events intensifies, cities that can offer both scale and authentic, accessible cultural engagement will gain a distinct advantage.

03 DIMENSION 7 Government and Legal System for Business

3.6. Introduction

A stable, efficient and effective government, together with a transparent and internationally connected legal system, forms the foundation of an international city's attractiveness to businesses and global talent. Factors such as alignment with international legal standards, administrative transparency, and effective cross-border dispute resolution mechanisms help create a supportive environment for sustained business growth and international engagement. Moreover, active participation in international agendas strengthens a city's reputation, expands its influence, and contributes to global development. In today's highly competitive global landscape, an international city should go beyond basic governance efficiency to build strong business confidence through reliable institutions and clear regulatory frameworks that enhance long-term livability and investment appeal.

3.7.1 Dimension Performance Snapshot

In 2026, Tokyo maintains its leading position in the Government and Legal System for Businesses dimension, earning first place through outstanding transparency, predictable policies, and a solid Worldwide presence. Singapore and Hong Kong followed in second and third place, consistently driven by low levels of corruption, streamlined administration, and highly supportive business environments.

Movement this year was concentrated in the mid-tier. Taipei rose to fifth place as updates to its government services and legal frameworks sparked renewed confidence among executives. On the flip side, Kuala Lumpur experienced a retreat, sliding to sixth as executive surveys indicated reduced confidence in court litigation processes and the handling of alternative dispute resolution. Perceptions of the city's regional and global influence also softened relative to faster-improving peers.

	SCORING (Max 100)	Dimension 7 Ranking 2025 vs. 2026			Dimension 7 Government and Legal System for Business Score -2026			
		2025 Ranking	Change in Ranking	2026 Ranking	D7 Government and Legal System for Business	D7.1 Effective and Efficient Government	D7.2 Legal System for Business	D7.3 International Presence
Top Markets	Tokyo	1	+0	1	81.7	88.5	85.0	71.5
	Singapore	2	+0	2	79.4	93.0	82.5	62.8
	Hong Kong	3	+0	3	77.0	85.9	83.5	61.5
	Seoul	4	+0	4	75.3	81.2	77.0	67.6
	Taipei	6	▲+1	5	69.1	80.7	75.1	51.4
	Kuala Lumpur	5	▼-1	6	68.4	71.8	73.5	60.0
	Bangkok	7	+0	7	66.1	59.8	70.6	67.9
	Jakarta	8	+0	8	63.0	61.4	62.5	65.1
	Shanghai	9	+0	9	60.6	66.9	60.9	54.1
	Mumbai	10	+0	10	59.7	59.9	67.3	52.1
	Ho Chi Minh City	11	+0	11	56.2	59.8	61.3	47.4

Top 1 Top 2-3 Bottom 2-3 Bottom 1 Ranking Increased Ranking Decreased

Table 10 Government and Legal System for Business Dimension: 2025–2026 Ranking Comparison and 2026 Scores

3.7.2. City Spotlights & Key Insights of Changes

The 2025–2026 data for the Government and Legal System for Businesses dimension underscores a highly resilient top tier, characterised by minor adjustments among leading hubs and minimal shuffling in the mid-tier. Exceptional institutional quality and streamlined legal frameworks anchored the frontrunners, whereas cities achieving well-rounded progress in governance, transparency, and international reach secured the strongest gains. Ultimately, these trends reinforce that a dependable, pro-business regulatory environment is essential to sustaining long-term competitiveness in Asia.

Top Performance and Dynamic Changes

Tokyo continues to lead in this dimension, driven by its stable, transparent and digitally advanced governance. Backed by a trusted legal system and a high degree of international connectivity. Through sophisticated institutional frameworks and lean administrative efficiency, Tokyo remains one of Asia's most competitive and secure environments for corporate operations.

Tokyo continues to lead the region, delivering outstanding results across every sub-dimension. Its reputation as a benchmark for stable, transparent and efficient governance is anchored by a trusted legal system. It has maintained a strong position in judicial independence, as Japan ranked 15th globally in the World Justice Project Rule of Law Index 2025[xcvi], underscoring the reliability and autonomy of its legal system. According to the Economic Freedom of the World 2025 Annual Report[xcvii], Tokyo also recorded improvements in judicial independence and contract enforcement, strengthening the city's appeal as a predictable environment for commercial activity.
A monumental driver of this efficiency occurred on May 21, 2026, when Japan's amended Code of Civil Procedure took full effect, achieving the total digitalisation of civil litigation nationwide[xcviii]. By reducing procedural friction and improving access to dispute-resolution processes, this reform reinforces Tokyo's position as one of Asia's most friction-free hubs for corporate operations.

Besides, Tokyo's global connectivity is underpinned by both institutional openness and international mobility. The city accommodates 174 foreign embassies and consulates[xcix], reinforcing its role as a major diplomatic hub for cross-border dialogue, policy engagement and international cooperation. Japan's passport accessibility, which grants visa-free[2] access to 187 destinations worldwide being one of the world's best passports, further strengthens this openness by enabling smoother global mobility for citizens and business networks. Together, these advantages position Tokyo as one of Asia's most internationally connected and accessible bases for regional operations.

Singapore secured a close second place in the Government and Legal Systems for Business dimension, with top-ranked performance in government effectiveness, political stability, and corruption control, supported by digital reforms that enhance the efficiency of dispute resolution. Paired with strong global connectivity, these structural advantages solidify the city-state's appeal as a low-risk base for long-term corporate investment.

Singapore secured a strong second place in the Government and Legal Systems for Business dimension, maintaining a competitive edge anchored in administrative efficiency, regulatory consistency, and institutional reliability. According to the latest World Bank Worldwide Governance Indicators[ci], Singapore continues to rank first among the 11 Asian cities assessed in Government Effectiveness, Political Stability and Absence of Violence/Terrorism, and Control of Corruption. This sustained top-tier performance reflects Singapore's long-term commitment to high-quality governance and reinforces its reputation as one of Asia's most predictable and low-risk business environments.

Singapore has also made notable progress in judicial efficiency and dispute resolution. The rollout of the Singapore International Arbitration Centre's (SIAC) Streamlined Procedure, alongside the updated ICC Arbitration Rules effective June 2026[cii], strengthens the city's position as a leading international arbitration hub. Complementing this, significant enhancements to the eLitigation portal took effect on 1 April 2026[ciii], including new modules for Variable Capital Companies (VCC) insolvency filings and the full transition of Court Service Bureaus to electronic filings. These reforms reduce procedural complexity and improve the speed and transparency of commercial dispute resolution.

In addition, Singapore benefits from one of the world's strongest passports, offering visa-free access to 192 destinations[civ], as well as widespread professional language skills that facilitate global business connectivity. While executive perceptions of government openness and broader regional confidence softened slightly, Singapore's strong fundamentals in governance efficiency and institutional reliability continue to outweigh these concerns.

2 The Data was compiled as of March 2026. Subsequent updates to source data may result in differences from the figures presented herein.

Hong Kong maintained the third place in the dimension. As Asia's premier international financial centre and a major gateway for global capital and talent, Hong Kong continues to benefit from its strong governance, institutional integrity, legal certainty and robust international connectivity.

Hong Kong maintained the third place in the dimension, through strong governance, institutional integrity, and legal certainty. Its trusted common law system remains a highly predictable framework for commercial rights protection and contract enforcement. This legal infrastructure was further elevated by the 2025 establishment of the International Organisation for Mediation[cv] (IOMed) headquarters in Hong Kong, positioning the city as a premier platform for state-level and cross-border commercial dispute resolution. In parallel, the continuous expansion of the iAM Smart digital identity system has improved public administration efficiency by enabling businesses and residents to access government and commercial services through a single digital identity. This reduces administrative burden and supports a more seamless and business-friendly operating environment.

Besides that, Hong Kong's international standing is further reinforced by its role as one of the major diplomatic hubs, hosting 117 foreign embassies and consulates[cvi], alongside one of Asia's strongest passports with visa-free access to 173 destinations[cvii] and its unique bilingual environment, including Chinese and English, that serves as an effective bridge between East and West. Collectively, these institutional strengths and connectivity advantages have helped Hong Kong sustain its competitive position as a stable, well-connected, and trusted base for regional headquarters and international operations despite increasing regional competition.

Major Ranking Changes in Cities

Taipei advanced one position to fifth place in the Government and Legal System for Businesses dimension. This improvement was primarily driven by stronger executive confidence in the government's openness, as captured in the survey, together with an improved score of Taiwan on the Contracts component of the Economic Freedom of the World: 2025 Annual Report[cviii]. These gains are underpinned by the enactment of Taiwan's Electronic Signatures Act (ESA) in 2024. Comprehensive enforcement rules were rolled out in late 2024 and became fully operational across commercial activities throughout 2025 and 2026[cix].

Furthermore, Taiwan's landmark AI Basic Act officially came into force in Jan. 2026, creating a structured legal framework to protect digital equality and fundamental corporate/consumer rights. Simultaneously, Taiwanese district and high courts began proactively using generative AI tools inside the courtroom[cx]. Collectively, these developments have strengthened court litigation efficiency and contract enforcement, as reflected in improved executive confidence regarding the handling of business disputes as well as local and cross-border alternative dispute resolution.

These policy and institutional enhancements have strengthened Taipei's legal and regulatory environment for businesses. They have contributed to greater executive confidence in contract enforcement and dispute resolution mechanisms. In addition, the executive survey indicates improved perceptions of Taipei's regional and global influence, despite the limited number of foreign embassies and consulates hosted in the city.

Kuala Lumpur dropped one position to sixth. This decline was primarily driven by relatively weaker performance in Legal System for Business and Governance efficiency compared to faster-improving peers. The drop stemmed mainly from tempered survey respondent confidence in the efficiency of the local court litigation system and the capacity to handle local and cross-border Alternative Dispute Resolution. Although Malaysia has made efforts to engage with the business community, the consultation process for foreign investors is still perceived as less systematic and responsive than in leading hubs such as Singapore and Hong Kong.

While Kuala Lumpur boasts a great physical and diplomatic foundation, evidenced by 183 visa-free destinations[cxi] and a dense network of 124 foreign missions[cxii], executives show softer confidence regarding its broader regional and global influence. This gap may indicate that business executives view Kuala Lumpur primarily as a robust, highly connected operational hub rather than a primary global or regional decision-making centre. This perception is likely driven by stiff competition from neighbouring business hubs such as Singapore and Bangkok, structural headwinds such as the middle-income trap, and the city's heightened exposure to global geo-economic fragmentation.

3.7.3. Way Forward

The 2026 results in the Government and Legal System for Business dimension underscore that institutional quality, legal predictability, and digital efficiency have become decisive differentiators in attracting and retaining corporate operations across Asia. Tokyo's continued leadership reflects the powerful combination of a trusted, independent judiciary, comprehensive digitalisation of civil litigation, and high international connectivity. Singapore's close second place demonstrates how sustained excellence in government effectiveness, political stability, and corruption control creates one of the region's most predictable and low-risk environments. Hong Kong's stable third-place position highlights the enduring value of a common-law framework, institutional integrity, and strategic investments, even amid intensifying regional competition. Taipei's one-place advance further illustrates how targeted legal and digital reforms can strengthen contract enforcement and dispute-resolution mechanisms.

These outcomes carry clear implications for businesses and policymakers. For multinational corporations evaluating regional headquarters or operational bases, cities that combine efficient dispute-resolution mechanisms with seamless digital government services and strong global connectivity offer materially lower operational risk and administrative burden. The rapid adoption of digital tools signals that procedural speed and transparency are no longer optional but core competitive advantages.

Looking ahead, an international city must continue to enhance governance transparency, regulatory efficiency, and the fairness of its legal systems to strengthen its appeal to international businesses and talent. Improving consultation mechanisms with foreign enterprises, accelerating digital government transformation, and ensuring timely resolution of commercial disputes will be essential for building long-term business confidence and competitiveness. In an increasingly competitive global environment, cities that can combine stable governance with a predictable, open, and business-friendly legal framework will hold a clear advantage in attracting long-term investment and hosting regional decision-making functions.



04 ASIAN CITY PROFILES AND STRATEGIC IMPLICATIONS

The following city profiles compare the 2025 and 2026 performance of 11 major Asian cities, offering a comparative perspective on their evolving international competitiveness. While top-tier cities continue to lead across most dimensions, several mid-tier cities demonstrated notable momentum in 2026. For businesses and investors, these profiles highlight both strengths and weaknesses when selecting regional hubs, revealing emerging opportunities alongside potential risks. They also underscore that reliance on a single specialised strength is increasingly insufficient to secure long-term regional prominence. Looking ahead, the long-term success of these international cities will depend on their ability to translate current foundational strengths into more sophisticated global capabilities. In particular, progress will be determined by their capacity to attract and retain experienced international talent by reducing mobility frictions, broadening commercial innovation capacity, improving the ease of cross-border capital flows, and developing cultural assets that enhance global influence, ultimately positioning themselves as truly interconnected international hubs.

Bangkok: Cultural and Tech Momentum Boosts Regional Attractiveness, while Future Competitiveness Depends on Urban Liveability and Sustainability

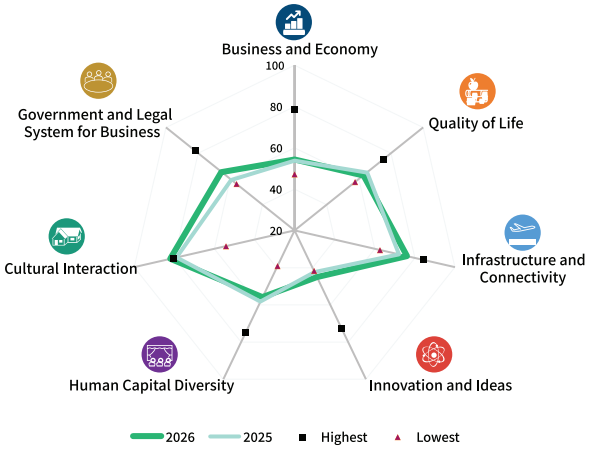
Bangkok demonstrates strong momentum as a rising international city in Southeast Asia, with standout leadership in cultural appeal and solid gains across multiple dimensions. The 2026 index shows noticeable expansion compared to 2025, particularly in Cultural Interaction and Innovation, reflecting Bangkok’s growing appeal as a vibrant, well-connected hub with improving business fundamentals.

D1	2026	2025
Rank	6th ▲	7th
Score	54.9	54.2

D2	2026	2025
Rank	9th ▼	6th
Score	(63.3)	65.5

D3	2026	2025
Rank	5th ▲	7th
Score	76.1	72.4

D4	2026	2025
Rank	7th ▲	10th
Score	44.5	42.6



D7	2026	2025
Rank	7th	7th
Score	(66.1)	59.7

D6	2026	2025
Rank	1st ▲	2nd
Score	82.7	79.3

D5	2026	2025
Rank	4th	4th
Score	56.4	58.6

Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 3 Performance of Bangkok

Bangkok’s strong gains in 2026 across Business and Economy, Infrastructure, Innovation, and especially Cultural Interaction demonstrate its increasing attractiveness as a dynamic, cost-competitive, and business-friendly hub in Southeast Asia. Bangkok’s core strengths remain firmly anchored in its appealing tourism and hospitality ecosystem. The city has achieved leadership in Cultural Interaction, underpinned by a massive volume of overnight visitors, a booming MICE sector, a robust hospitality scene, and improved information exchange. Its proactive government policies and improving digital and innovation ecosystem are successfully drawing an impressive influx of hyperscale cloud infrastructure investments from global tech giants like AWS, Google, and Microsoft. However, the decline in Quality of Life highlights the need to address congestion and environmental sustainability if the city is to fully convert its economic and cultural momentum into a broader international appeal for talent and long-term residents.

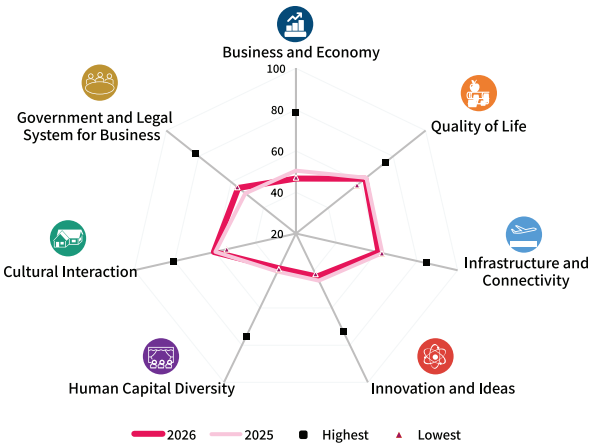
Looking ahead, Bangkok is well-positioned to build on its recent momentum. Continued focus on digital infrastructure, talent development in high-growth sectors, and targeted investment incentives should further strengthen its Innovation, Business and Economy performance. To sustain and broaden its international competitiveness, greater attention to alleviating traffic congestion, improving environmental quality, and enhancing urban livability will be important. By balancing its strong economic and cultural advantages with improvements in quality of life, Bangkok can consolidate its position as a leading mid-tier international city in Asia and narrow gaps with higher-ranked peers in future.





Ho Chi Minh City: Cost Efficiency and Tourism Inflows Strengthen Global Engagement, though Elevating the City's Internationality Requires High-Value Talent and Capital Flexibility

Ho Chi Minh City's drop to the bottom in the 2026 ranking reflects relative weaknesses in Business and Economy and Innovation that outweighed gains in Quality of Life and Culture Interaction. The city remains a dynamic and cost-competitive gateway to one of Asia's most promising emerging economies, but the ranking decline signals heightened competition from other Southeast Asian cities.



D1	2026	2025
Rank	11th▼	10th
Score	47.2	50.9

D2	2026	2025
Rank	8th▲	9th
Score	(63.5)	63.9

D3	2026	2025
Rank	9th	9th
Score	61.7	63.2

D4	2026	2025
Rank	9th▼	8th
Score	43.7	45.6

D5	2026	2025
Rank	11th▼	10th
Score	39.1	40.7

D6	2026	2025
Rank	9th▲	10th
Score	61.2	60.2

D7	2026	2025
Rank	11th	11th
Score	(56.2)	51.6

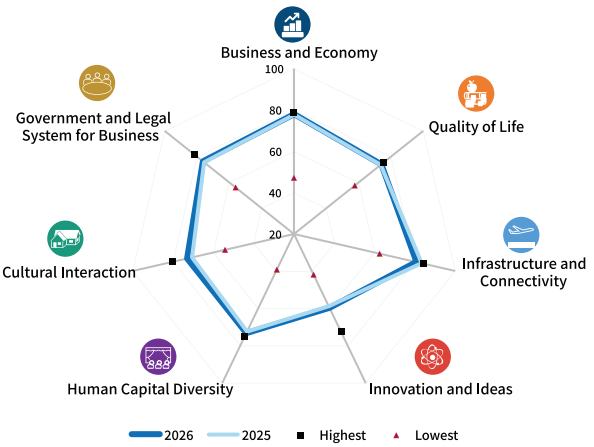
Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 4 Performance of Ho Chi Minh City

Ho Chi Minh City remains one of Asia's most promising growth markets, with its core appeal rooted in a relatively affordable workforce with a low cost of living. This combination continues to position the city as a preferred destination for international companies seeking to optimise operating costs. Rising momentum in Cultural Interaction, driven by increasing visitor flows, is supporting consumer spending and generating employment opportunities in hospitality and related services. However, the limits of this growth model are becoming more apparent. Employers continue to face shortages of experienced technical and managerial professionals, which constrains the city's ability to attract higher-value functions and limits the capacity of local firms to scale internationally. At the macroeconomic level, long-standing currency controls add another layer of friction. Restrictions on cross-border funding and profit repatriation reduce financial flexibility for international companies, making Ho Chi Minh City less seamless to operate in than regional hubs with more open capital regimes.

Looking ahead, the growing return of overseas Vietnamese professionals presents a promising opportunity to address the talent gap. Their international experience can help strengthen management capabilities and deepen the local technology ecosystem, provided that companies are able to place them in roles where their expertise can meaningfully influence business development. While continued tourism growth should sustain demand and broaden employment opportunities, these positive drivers will have a more lasting impact if accompanied by greater predictability and ease in moving capital across borders. Progress on both fronts would enable Ho Chi Minh City to evolve beyond its current role as a cost-efficient operating base and establish a stronger position as a regional centre for higher-value activities.

Hong Kong: Strong Fundamentals Secure Hong Kong's Gateway Status, while Future Growth Hinges on GBA Integration and Innovation Scaling

Hong Kong solidifies its position as Asia's most international city. It maintained or improved its leadership in core business enablers while showing broad-based gains across most dimensions. The 2026 data reflect year-over-year resilience and incremental progress in a highly competitive regional landscape, Hong Kong remains the premier gateway for regional and global operations in Asia.



D1	2026	2025
Rank	1st	1st
Score	78.6	78.2

D2	2026	2025
Rank	2nd	2nd
Score	(74.6)	74.0

D3	2026	2025
Rank	2nd	2nd
Score	82.9	83.7

D4	2026	2025
Rank	3rd ▲	4th
Score	61.0	59.0

D5	2026	2025
Rank	2nd	2nd
Score	73.8	72.7

D6	2026	2025
Rank	4th	4th
Score	73.9	71.0

D7	2026	2025
Rank	3rd	3rd
Score	(77.0)	76.1

Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 5 Performance of Hong Kong

Hong Kong's core strengths remain firmly anchored in its institutional architecture, global connectivity, and talent ecosystem. The city retains undisputed leadership in Business and Economy, underpinned by a strong IPO rebound, robust cross-border investment flows, and the enduring stability of the Linked Exchange Rate System. It also holds runner-up positions in Infrastructure and Connectivity, Quality of Life, and Human Capital Diversity, supported by world-class aviation and maritime gateways, extensive urban green space with low congestion, and highly successful talent admission schemes that have drawn record international inflows. These advantages are reinforced by a trusted common-law framework, the new International Organisation for Mediation headquarters, and a bilingual, diplomatically connected environment that continues to make Hong Kong the preferred regional base for international business and finance.

At the same time, Hong Kong faces relative weaknesses in converting its research and talent strengths into commercial innovation outcomes, as reflected in its still-limited unicorn base and slower late-stage venture development despite climbing to 3rd in the Innovation and Ideas dimension. To address this commercialisation gap, Hong Kong should deepen its integration with the Greater Bay Area (GBA) while accelerating the development of the Northern Metropolis. Together, these initiatives can provide the scale, industrial capacity, and cross-boundary collaboration opportunities needed to support accelerated growth and scaling. Cultural Interaction remains stable at fourth, indicating that only infrastructure development, such as Kai Tak Sports Park, won't fully translate into top-tier regional perceptions of vibrancy and entertainment appeal; it requires more cultural output to influence the world and beyond. These areas represent the clearest opportunities for targeted policy and investment focus if Hong Kong is to widen its overall lead in future.

Looking ahead, these priorities are central to Hong Kong's long-term trajectory as an international city. Successfully bridging the commercialisation gap through deeper GBA integration and Northern Metropolis development, while elevating cultural output, would enable Hong Kong to translate its strong research base and global connectivity into a more dynamic, innovation-driven ecosystem — reinforcing its status as a leading international financial and business hub with greater capacity to attract and retain global talent and enterprises.





Jakarta: Market Scale and Domestic Demand Drive Economic Appeal, whereas Improving Internationality Relies on Regulatory Predictability and Expanding International Connectivity

Jakarta's drop in the 2026 ACII reflects a relative softening in Business and Economy and Cultural Interaction, underscoring intensifying regional competition. While the city remains a vital gateway to one of Asia's largest and fastest-growing economies, its immense scale continues to foster a primarily inward-looking business environment where local conglomerates find sufficient growth serving domestic demand rather than expanding cross-border networks. The ranking decline emphasises that while vast domestic opportunities and an affordable labour pool remain highly attractive, converting this market interest into sustained global influence is still constrained by regulatory complexities.

D1	2026	2025
Rank	8th ▼	6th
Score	50.7	54.3

D2	2026	2025
Rank	11th ▼	10th
Score	(57.6)	62.7

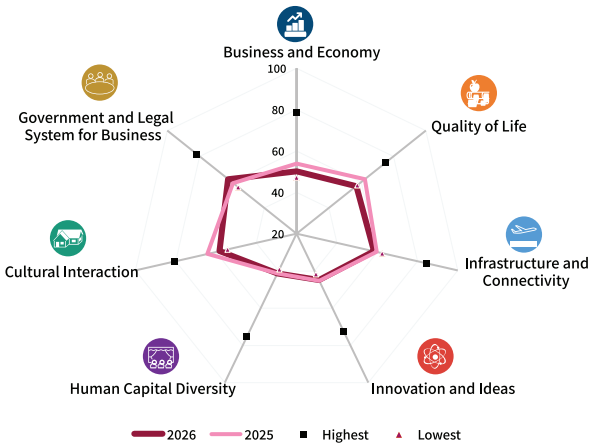
D3	2026	2025
Rank	11th ▼	10th
Score	58.9	60.1

D4	2026	2025
Rank	8th ▼	7th
Score	44.3	45.7

D5	2026	2025
Rank	9th	9th
Score	41.9	41.7

D6	2026	2025
Rank	10th ▼	8th
Score	58.8	64.7

D7	2026	2025
Rank	8th	8th
Score	(63.0)	59.7



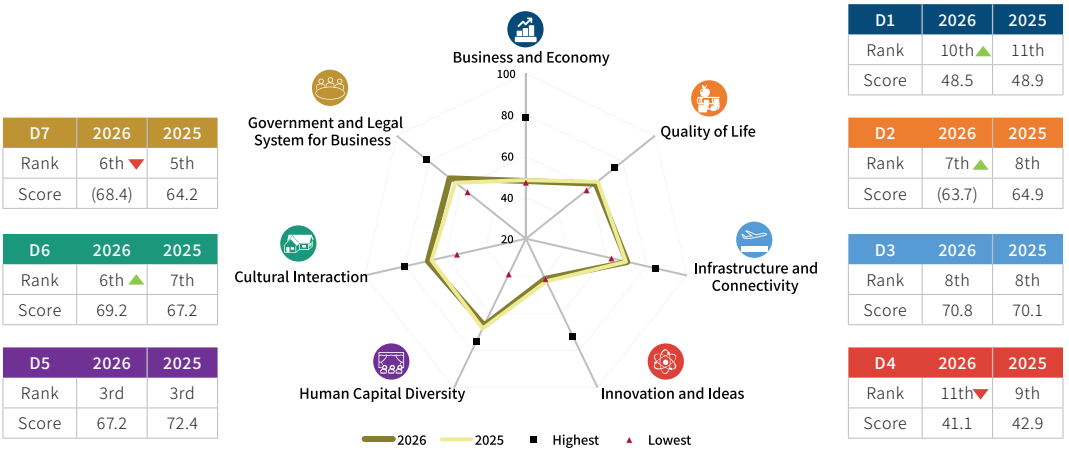
Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 6 Performance of Jakarta

Jakarta's core strengths continue to lie in the sheer scale and robust domestic demand of the Indonesian economy. The city retains a highly competitive position for operational expansion, supported by a large, relatively affordable labour pool and increasingly efficient startup processes that generate strong perceptions of business opportunities. These advantages are further reinforced by Jakarta's vast domestic market, which allows local businesses to achieve considerable growth without requiring an immediate regional footprint. As a result, Jakarta is primarily regarded as a natural, self-sustaining centre for domestic commerce and investment. This market-scale advantage has positioned the city as a preferred hub for companies seeking to optimise local market penetration while utilising a cost-effective workforce. Notably, many local conglomerates focus heavily on serving this massive domestic demand, which has naturally reduced the commercial incentive and organisational ambition to expand overseas. At the same time, Jakarta faces a clear relative weakness in its international influence and cross-border connectivity, reflecting regulatory complexity and policy uncertainty that make it harder to convert market interest into sustained foreign capital inflows. This inward-looking dynamic is further visible in its international engagement, where business travel remains heavily domestically oriented, and leisure tourism continues to be overshadowed by Bali.

Looking ahead, Jakarta has a tangible opportunity to accelerate its evolution into a more international city by building on its established market scale while addressing its regulatory and outward-connectivity gaps. Providing a clearer, more predictable investment environment would significantly strengthen Jakarta's appeal to foreign companies seeking long-term access to Indonesia. Success in implementing targeted export financing and overseas market support, while protecting its strong domestic commerce foundation, would enhance the confidence of local firms to expand abroad. This balanced progression would allow Jakarta to rise more confidently among Asia's leading international cities, transitioning from a strictly national commercial centre into a powerful platform connecting domestic growth with global capital and networks.

Kuala Lumpur: Solid Education Networks and Strategic Affordability Anchor International Talent Appeal, while Solidifying Internationality Relies on Closing the Innovation Gap

Kuala Lumpur maintains a solid mid-tier position, with notable strengths in human capital and steady, incremental gains across several areas. The 2026 index result is broadly stable with modest improvements in Business and Economy, Quality of Life and Cultural Interaction, positioning Kuala Lumpur as a cost-effective, diverse, and increasingly connected Southeast Asian hub.



D1	2026	2025
Rank	10th ▲	11th
Score	48.5	48.9

D2	2026	2025
Rank	7th ▲	8th
Score	(63.7)	64.9

D3	2026	2025
Rank	8th	8th
Score	70.8	70.1

D4	2026	2025
Rank	11th ▼	9th
Score	41.1	42.9

D5	2026	2025
Rank	3rd	3rd
Score	67.2	72.4

D6	2026	2025
Rank	6th ▲	7th
Score	69.2	67.2

D7	2026	2025
Rank	6th ▼	5th
Score	(68.4)	64.2

Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 7 Performance of Kuala Lumpur

Kuala Lumpur's core strengths continue to lie in Human Capital Diversity and cultural inclusivity. The city retains its podium position in this dimension, supported by a well-established network of international primary and secondary schools and a highly accessible multicultural environment that lowers barriers for global businesses and expatriate talent. These advantages are further reinforced by Kuala Lumpur's strong diplomatic presence, extensive visa-free travel network, and significantly lower cost of living compared with Singapore. As a result, Kuala Lumpur is increasingly regarded as a compelling, cost-effective alternative for regional operations. This cost-arbitrage advantage has positioned the city as a preferred hub for multinational companies seeking to optimise overheads while maintaining access to a diverse and capable talent pool. Notably, some entrepreneurs or executives from Japan who favour Kuala Lumpur cite the combination of quality international schooling, lower living costs, and a favourable tax environment. At the same time, Kuala Lumpur faces a clear relative weakness in the Innovation and Ideas dimension, reflecting modest R&D levels and an economic structure that has yet to attract large-scale technology investments and no unicorns at the pace seen in faster-moving regional peers.

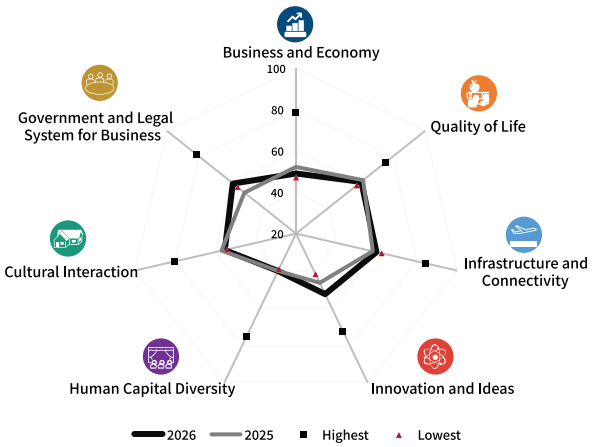
Looking ahead, Kuala Lumpur has a tangible opportunity to accelerate its evolution into a more international city by building on its established talent and cost advantages while decisively addressing its innovation gap. Success in closing the Innovation and Ideas gap, while protecting its strong Human Capital Diversity ranking, would significantly enhance Kuala Lumpur's overall appeal in future, allowing it to rise more confidently among Asia's leading international cities.





Mumbai: Innovation Ecosystems and Strategic Connectivity Support Economic Appeal, yet Advancing Internationality Requires Improved Liveability and Cultural Interaction

Mumbai is transitioning from a purely domestic-focused market to a more globally oriented regional hub, backed by robust innovation and improved international logistics infrastructure. The improvement in quality of life, infrastructure and human capital signals that sustaining this trajectory and boosting global confidence will depend on translating these gateway strengths into broader improvements in urban mobility and everyday liveability.



D1	2026	2025
Rank	9th ▼	8th
Score	49.8	52.8

D2	2026	2025
Rank	10th ▲	11th
Score	(61.0)	62.0

D3	2026	2025
Rank	10th ▲	11th
Score	60.5	58.5

D4	2026	2025
Rank	6th	6th
Score	51.3	46.7

D5	2026	2025
Rank	10th ▲	11th
Score	40.3	40.2

D6	2026	2025
Rank	11th	11th
Score	56.0	57.4

D7	2026	2025
Rank	10th	10th
Score	(59.7)	52.2

Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 8 Performance of Munbai

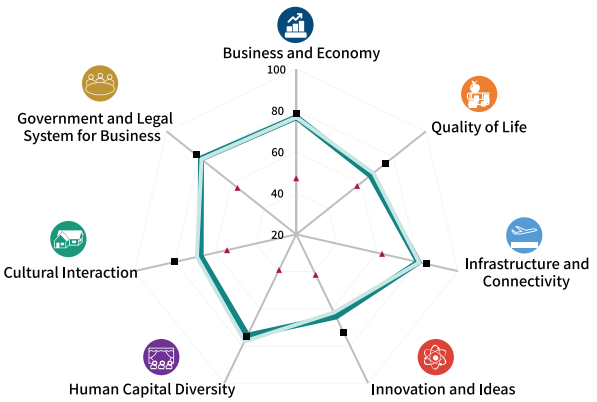
Mumbai' s strength is rooted in its strategic location and proximity to the Middle Eastern markets, reinforced by its role as India' s financial and commercial centre. The city combines a deep pool of professionals in finance, technology and business services with a strong innovation base and growing digital economy. Improvements in infrastructure, such as airport and seaport facilities, have strengthened its access to international passenger, air cargo and trade networks, while better digital systems have improved the efficiency of cross-border commerce. These advantages give Mumbai a more important position as a gateway connecting India' s domestic economy with international capital and markets.

The city' s broader urban environment, however, has not developed at the same pace as its international gateways. Persistent pressure on transport, public services and everyday liveability weakens the experience of visitors and internationally mobile professionals, limiting Mumbai' s ability to convert connectivity into a wider global appeal. This is reflected in its relatively modest tourism pull and thinner presence in the international convention market, where infrastructure quality and ease of movement are central to destination choice. These constraints carry implications beyond tourism. A city that is difficult to navigate and less attractive for extended stays may struggle to secure regional business functions, retain global talent and generate the sustained international interaction needed to complement its financial and innovation strengths.

Looking ahead, setting up better urban mobility and higher-quality public infrastructure in Mumbai would improve liveability while strengthening the city' s capacity to host international visitors and major business events. This would allow Mumbai to make fuller use of its strategic position at the intersection of major Asian and Middle Eastern markets, while leveraging its innovation ecosystem to turn improved connectivity into deeper commercial engagement. Progress on this front could elevate the city from an important national gateway into a more compelling international regional hub for business, talent and investment.

Seoul: Urban Efficiency, High Liveability and Cultural Presence Support International Stature, though Further Advancing Hinges on Economic Diversification and Talent Integration

Seoul continues to strengthen its position as a top-tier international city in Asia, delivering strong leadership in hard and soft infrastructure while posting notable gains in livability, cultural interaction, and innovation. Although relatively weak in Business and Economy and Human Capital Diversity, Seoul is an increasingly compelling hub for tech, innovation-driven industries, creative sectors, and headquarters requiring superior connectivity and quality of life.



D1	2026	2025
Rank	5th	5th
Score	55.0	61.6

D2	2026	2025
Rank	1st ▲	3rd
Score	(75.2)	73.7

D3	2026	2025
Rank	1st	1st
Score	85.8	84.6

D4	2026	2025
Rank	2nd ▲	3rd
Score	62.2	62.1

D5	2026	2025
Rank	5th	5th
Score	52.8	51.1

D6	2026	2025
Rank	2nd ▲	3rd
Score	80.5	78.4

D7	2026	2025
Rank	4th	4th
Score	(75.3)	75.1

Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 9 Performance of Seoul

Seoul has established itself as a leading Asian international powerhouse by capturing the first-place ranking worldwide in both Infrastructure and Connectivity and Quality of Life, alongside a commanding second-place ranking in Cultural Interaction and Innovation and Ideas. This remarkable profile is driven by a state-of-the-art smart transit network, comprehensive 5G integration, an improved livability and eco-centric urban model that has earned it recognition as a leader in city suitability development. Simultaneously, the explosive global expansion of the “Korean Wave” (Hallyu) has propelled the city to new heights as a top-tier tourism and MICE destination. This cultural dominance is closely mirrored by a high-octane knowledge economy, backed by its robust R&D output and an aggressive public and private funding commitment to accelerate tech startups and international patent filings.

However, Seoul’s aggressive multi-dimensional expansion is counterbalanced by distinct structural vulnerabilities. The city’s primary bottleneck lies in its localised demographic framework, indicating severe administrative and systemic friction in attracting and seamlessly integrating foreign business leaders and global founders. Furthermore, despite holding a leaderboard position in Business and Economy, Seoul lags behind its top regional peers due to a highly concentrated economic architecture. The broader South Korean economy remains heavily reliant on its top five major conglomerates. This immense concentration of capital and market creates a structural bottleneck that slows the city’s evolution into an open, diversified international business hub.

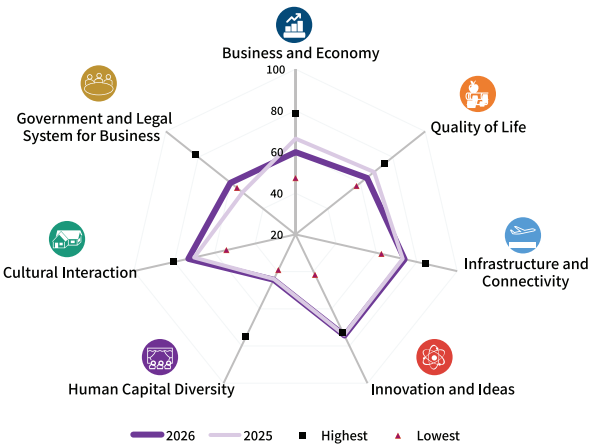
Looking ahead, Seoul’s top-tier livability, urban safety, and stabilised housing market provide a strong foundation for long-term executive retention. However, scaling operations in the city’s business ecosystem requires a sophisticated approach to talent and market entry. Immigration policies remain heavily oriented toward academic and STEM researchers, limiting multinational companies’ ability to scale through cross-border talent transfers. At the same time, the dominance of the top five conglomerates in market liquidity and commercial networks creates barriers for foreign mid-market and venture-backed firms. Achieving greater regional scalability will depend on the municipal government’s effectiveness in deploying capital commitments to de-risk independent ventures and reducing regulatory barriers that protect the traditional conglomerate structure. These dynamics will be decisive in Seoul’s evolution as an international city, enabling it to translate its livability and infrastructure strengths into a more diversified and globally connected business ecosystem.





Shanghai: Innovation Ecosystems and Financial Centre Status Underpin Growth, while Solidifying Internationality Relies on Attracting a Multilingual Workforce and Easing Regulatory Friction for Business

Shanghai continues to solidify its position as Asia's leading innovation powerhouse and a top-tier business city, anchored by unmatched strength in Innovation and Ideas. The 2026 index shows resilience with gains in several areas, despite some softening in Quality of Life. It remains a dynamic, large-scale hub that excels in technology, R&D, and rapid commercialisation.



D1	2026	2025
Rank	4th	4th
Score	60.4	66.7

D2	2026	2025
Rank	6th ▼	4th
Score	(66.0)	68.8

D3	2026	2025
Rank	6th	6th
Score	75.1	73.4

D4	2026	2025
Rank	1st	1st
Score	74.9	74.3

D5	2026	2025
Rank	8th	8th
Score	44.5	44.1

D6	2026	2025
Rank	5th	5th
Score	73.6	70.6

D7	2026	2025
Rank	9th	9th
Score	(60.6)	53.0

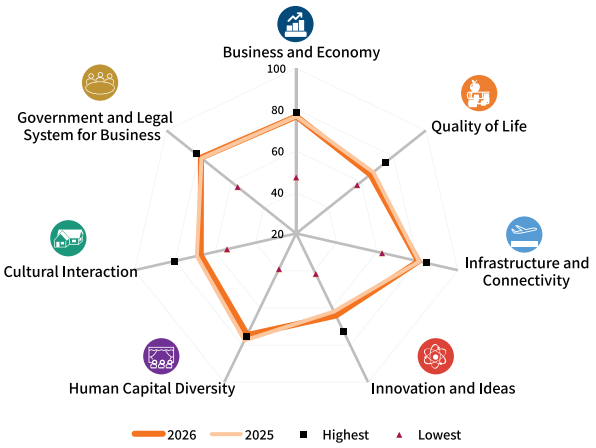
Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 10 Performance of Shanghai

Shanghai's standout strength lies in its leading innovation ecosystem, supported by a vibrant venture capital landscape and a dense concentration of unicorns in strategic sectors such as artificial intelligence, biomedicine, and integrated circuits. This high-performing dimension is complemented by stable, mid-table results in Business and Economy and Cultural Interaction. As China's primary onshore financial centre, Shanghai leverages its strategic position to sustain solid performance in international trade, while ongoing local government efforts to attract international visitors have helped maintain a steady cultural footprint in both business and leisure segments.

However, Shanghai's aggressive technological advancement is counterbalanced by notable structural constraints in its operating environment. The city continues to rank towards the mid-to-lower end of its peer group in Human Capital Diversity, reflecting a highly localised demographic profile that faces challenges in attracting, integrating, and retaining a diverse, multilingual international workforce. Besides, Shanghai's Legal System for Business has significant areas to improve. This weak positioning stems from a regulatory environment that remains heavily domestically oriented, with rules and administrative processes that international companies may perceive as less transparent and insufficiently aligned with global standards. These factors collectively limit Shanghai's ability to present itself as a seamless and accessible destination for international capital and talent, despite its strong innovation momentum.
By addressing these areas in a coordinated manner, Shanghai can reinforce its position as a leading innovation-driven international city and narrow gaps in livability and talent dimensions, supporting more balanced and sustainable gains in future.

Singapore: Strong Corporate Anchorage and Diverse Talent Infrastructure Underpin International Hub Status, yet Solidifying Internationality Relies on Improving Liveability, Balancing Talent Attraction, and Enhancing Cultural Influence

Singapore maintains its position as one of Asia's most international cities, consistently neck-and-neck with Hong Kong. It excels as a highly efficient, talent-rich, and innovation-driven hub, with particular strengths in governance, human capital, and connectivity. Even though with declining in Cultural Interaction, pointing to challenges around cost, space, and cultural dynamism to attract international visitors.



D1	2026	2025
Rank	2nd	2nd
Score	77.3	77.1

D2	2026	2025
Rank	5th	5th
Score	(66.3)	67.9

D3	2026	2025
Rank	3rd	3rd
Score	82.0	81.2

D4	2026	2025
Rank	4th ▼	2nd
Score	60.6	62.2

D5	2026	2025
Rank	1st	1st
Score	75.1	77.8

D6	2026	2025
Rank	7th ▼	6th
Score	67.9	69.5

D7	2026	2025
Rank	2nd	2nd
Score	(79.4)	78.9

Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 11 Performance of Singapore

Singapore's 2026 results highlight both the durability of its core competitive advantages and the emerging structural pressures it must navigate. The city-state's unmatched trade infrastructure, deep talent pool, and world-class governance continue to provide a robust institutional foundation. Singapore retained its elite run-up position in both Business and Economy and Government and Legal System for Business, while securely holding the top position in Human Capital Diversity and improving its score to secure third place in Infrastructure and Connectivity. These commanding positions are underpinned by its strategic role connecting Southeast Asian markets through highly advanced port management and digital trade platforms. It also serves as a premier corporate anchor, hosting regional headquarters for a vast array of Fortune Global 500 companies alongside a mature, well-funded startup ecosystem. The city's deeply multicultural demographic, world-class higher education institutions, and sophisticated talent infrastructure further reinforce its position as a preferred destination for international business and high-calibre global professionals.

However, measurable declines in Innovation and Ideas, and Cultural Interaction signal that escalating costs and shifting executive perceptions are beginning to impact its relative regional competitiveness. These downward adjustments reflect growing pressures from rising living costs and mounting international talent expenses, which have started to affect perceptions of the city's attractiveness to international research talent. Executive survey feedback similarly indicated lower perceptions of late-stage venture capital fundraising and startup traction. Furthermore, while the city excels at hosting hyper-organised mega-events and commercial attractions, it faces deep-seated structural challenges in cultivating the organic, bottom-up creative industries and grassroots cultural trends necessary to project a resonant global identity.

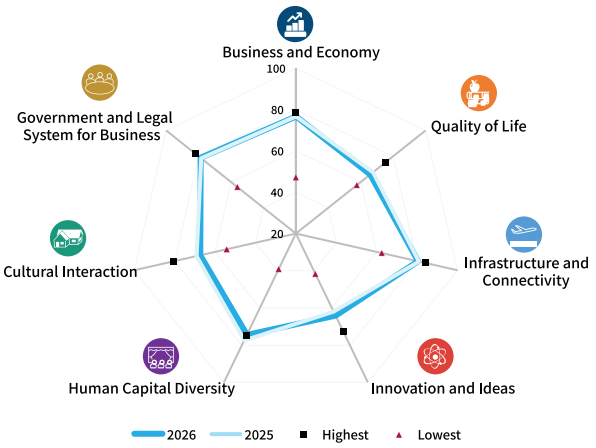
Looking ahead, Singapore's ability to sustain its top-tier global positioning will depend on its success in balancing local employment priorities with the frictionless attraction of global talent, while leveraging its massive public innovation funding commitments and state-of-the-art digital infrastructure to revitalise business sentiment. The city-state remains exceptionally well-placed as a high-efficiency, rules-based hub at the heart of Asia. However, targeted strategic attention to liveability, late-stage venture capital vibrancy, and a less "manicured" cultural ecosystem to further solidify the city's internationality.


PAN PACIFIC



Tokyo: Regulatory Stability and Strong Corporate Concentrations Underpin Global Stature, whereas Advancing Internationality Requires Easing Operational Friction and Attracting More International Talent

Tokyo maintains its position as a leading global metropolis and one of Asia's top international business cities, anchored by unmatched strengths in governance, stability, and scale. The 2026 index shows some contraction in areas like Quality of Life and Cultural Interaction compared to 2025. Still, leveraging the strength in Government and Legal System for Business, and Business and Economy dimensions helps offset these, reflecting Tokyo's enduring appeal as a mature, sophisticated hub for corporate headquarters, finance, and advanced industries.



D1	2026	2025
Rank	3rd	3rd
Score	64.9	68.3

D2	2026	2025
Rank	3rd ▼	1st
Score	(70.1)	76.9

D3	2026	2025
Rank	4th	4th
Score	77.4	76.3

D4	2026	2025
Rank	5th	5th
Score	59.8	58.7

D5	2026	2025
Rank	6th	6th
Score	50.9	50.6

D6	2026	2025
Rank	3rd ▼	1st
Score	76.4	79.4

D7	2026	2025
Rank	1st	1st
Score	(81.7)	79.8

Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 12 Performance of Tokyo

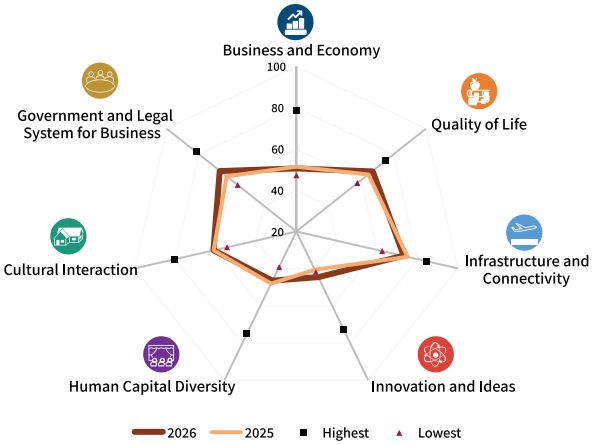
Tokyo excels in the Government and Legal System for Business, underpinned by unparalleled public safety, low corruption, and highly predictable regulatory frameworks that establish Tokyo as one of the lowest-risk and most stable corporate operating environments in the world. The city also maintains strong top-tier positions in Business and Economy and Quality of Life, reinforcing its status as a leading Asian corporate capital that hosts a dense concentration of Fortune Global 500 global headquarters. These advantages have been tempered by macroeconomic pressures, notably the prolonged depreciation of the Japanese Yen, which has contributed to rising costs in food and energy and placed strain on household purchasing power and the rental market, resulting in a decline in Quality of Life. In addition, intensifying regional competition and geopolitical dynamics have led to a drop in the Cultural Interaction ranking.

Behind these broad trends, Tokyo's operational reality is defined by a distinct structural insulation. Despite its stature as a global megacity, Tokyo's business landscape remains fundamentally domestically driven, as the massive needs of the internal Japanese market prompt local companies and institutions to naturally prioritise domestic demands over international integration. This inward focus may create a hurdle for outside-in globalisation. While Tokyo offers an objectively exceptional quality of life for established residents, newly arriving expatriates face severe friction when trying to settle down due to rigorous administrative procedures, complex rental frameworks, and a steep daily lifestyle learning curve. This operational isolation is mirrored by a profound lack of human capital diversity within the Japanese workplace, reflected in Tokyo's relatively low Human Capital Diversity score, which leaves the city at a distinct disadvantage compared to agile peers like Hong Kong and Singapore when formulating global corporate strategy. Furthermore, while the environment is highly secure for asset preservation, layers of dense bureaucracy and unyielding regulatory frameworks create a highly challenging landscape for foreign entities attempting to rapidly deploy capital or establish new financial activities, limiting Tokyo's capacity to challenge more fluid financial capitals.

Looking ahead, Tokyo still represents a supreme capital sanctuary, while navigating the weakened Yen effectively discounts local operating costs and high-calibre corporate assets for foreign capital, making it a highly attractive destination for targeted infrastructure and asset acquisitions. Multinational corporations need to improve fluid, cross-border corporate talent transfers or rapid operational scaling. True regional scalability and future recovery will ultimately hinge on whether municipal authorities can aggressively deploy current currency advantages to recapture global MICE tourism, cushion local liveability against inflationary pressures, and introduce working visa fast-tracks to break through its deep-seated domestic insulation.

Taipei: Improved Technology Ecosystems and Liveability Underpin Economic Activity, while Solidifying Internationality Requires Capital Market Diversification, Talent Diversity and Outward Connectivity

Taipei has shown some positive momentum in a few dimensions as a competitive mid-tier international city. The 2026 index result reflects clear improvements versus the 2025 outline, particularly in Quality of Life and Business and Economy. Taipei is strengthening its appeal as a livable, stable, and increasingly dynamic hub in Northeast Asia.



D1	2026	2025
Rank	7th ▲	9th
Score	51.2	51.8

D2	2026	2025
Rank	4th ▲	7th
Score	(67.7)	64.9

D3	2026	2025
Rank	7th ▼	5th
Score	74.1	75.5

D4	2026	2025
Rank	10th ▲	11th
Score	43.2	40.8

D5	2026	2025
Rank	7th	7th
Score	47.0	48.3

D6	2026	2025
Rank	8th ▲	9th
Score	61.6	61.2

D7	2026	2025
Rank	5th ▲	6th
Score	(69.1)	63.4

Notes: () refers to some indicators from this dimension that were altered in ACII 2026
Figure 13 Performance of Taipei

Taipei's 2026 city profile highlights a competitive yet distinct business ecosystem, characterised by steady progress in quality of life, business and economy, digital governance, and research output. Taiwan has been positioned as an increasingly attractive destination for technology companies, investors, and skilled professionals seeking a high-quality, innovation-driven environment in Asia. Its semiconductor and AI ecosystem, anchored by global leaders such as TSMC, provides a powerful foundation for high-value economic activity and supply chain integration. The improvement in Quality of Life also enhances Taipei's competitiveness in attracting and retaining international talent. Combined with a highly educated local workforce, this makes the city an attractive option for international firms looking to establish a smaller operational footprint or build a business from the ground up. Additionally, despite broader political challenges, Taipei presents an interesting financial landscape, characterised by considerable domestic wealth and an active outbound investment appetite, particularly with local investors allocating capital into US equities.

However, several structural challenges could constrain Taipei's ability to maintain its momentum against regional competitors. While the city's financial market has gained visibility, its local stock market remains heavily concentrated around a single dominant player, such as TSMC. Once the leading firm is excluded, the remaining public equities market appears relatively thin. This concentration risk is compounded by a contraction in container throughput and international flight connectivity, which has introduced friction in physical supply chains. At the same time, Human Capital Diversity has remained largely stagnant, highlighting a gap between Taipei's current competitiveness and its ambition to become a truly international city.

Looking ahead, Taipei has a clear opportunity to evolve into a more diversified and dynamic international city. By leveraging its relatively low-friction business environment and well-educated talent pool, while taking concrete steps to broaden its capital market and strengthen innovation commercialisation, Taipei can move beyond its current reliance on semiconductors and liveability strengths. These efforts would help position the city as a more well-rounded, innovation-oriented, and internationally connected hub in the years ahead.



05 APPENDIX

5.1. Appendix 1 – Index Sub-dimension & Indicators

Table 11 shows the dimensions and their relevant sub-dimensions of the Asian Cities Internationality Index Framework.

	DIMENSION	WEIGHTING	SUB-DIMENSION
1	Business and Economy	17.5%	1.1 International Business Entities Establishment 1.2 Business Opportunities 1.3 International Trade 1.4 Investment Flows 1.5 Financial Market
2	Quality of Life	15.0%	2.1 Cost of Living 2.2 Retail, Dining and Entertainment 2.3 Public Services and Healthcare 2.4 Safety and Security 2.5 Sustainable Development
3	Infrastructure and Connectivity	15.0%	3.1 External Connectivity - Air 3.2 External Connectivity – Non-air 3.3 Logistics Efficiency for Business 3.4 Digital Connectivity 3.5 Information Exchange
4	Innovation and Ideas	15.0%	4.1 Research and Innovation Investment 4.2 Knowledge and Innovation Exchange 4.3 International Talent Attraction 4.4 Innovation Ecosystem
5	Human Capital Diversity	12.5%	5.1 Population Diversity 5.2 Educational Resources 5.3 Workforce Diversity
6	Cultural Interaction	12.5%	6.1 Cultural Exchange 6.2 Cultural Facilities 6.3 Resources for Visitors
7	Government and Legal System for Business	12.5%	7.1 Effective and Efficient Government 7.2 Legal System for Business 7.3 International Presence

Table 11 The Asian Cities Internationality Index Framework

Dimension 1 - Business and Economy

Table 12 outlines the sub-dimension and corresponding indicators under Dimension 1 -Business and Economy.

	SUB - DIMENSION	WEIGHTING	INDICATOR	
1.1	International Business Entities Establishment	20.0%	1. Number of Global Headquarters of Fortune Global 500	
			2. Number of APAC Headquarters of Fortune Global Top 100	
			3. Recognition as a Global Business Hub	S
			4. Government Receptiveness to Foreign-affiliated Companies	S
1.2	Business Opportunities	20.0%	1. Time to Start a Business	
			2. Ease of Doing Business	
			3. Corporate Income Tax Rate	
			4. Distortive Effect of Local Market Dominance	S
			5. Ease of Expanding into International Markets	S
			6. Resources for Expanding Business in Emerging Markets	S
			7. Resources for Expanding Business in Established Markets	S
1.3	International Trade	20.0%	1. Number of International Trade Agreements	
			2. Imports of Goods and Services	
			3. Exports of Goods and Services	
			4. Trade Tariff Rate	
			5. Operational Efficiency of International Trade	S
1.4	Investment Flows	20.0%	1. Foreign Direct Investment Inflows	
			2. Foreign Direct Investment Inward Stock	
			3. Government Initiatives for Attracting Inward Foreign Direct Investment	S
			4. Foreign Direct Investment Outflows	
			5. Foreign Direct Investment Outward Stock	
			6. Government Initiatives for Promoting Outward Foreign Direct Investment	S
			7. Access to Overseas Investment Opportunities: Emerging Markets	S
			8. Access to Overseas Investment Opportunities: Established Markets	S
1.5	Financial Market	20.0%	1. Stock Market Capitalisation	
			2. Percentage of International Companies Listed in the Local Stock Exchange[3]	
			3. Access to Finance and Capital for Foreign Companies	S
			4. Access to International Investment Products for Foreign Companies	S
			5. International Capital Controls	

S denotes indicators from survey data

Table 12 Business and Economy Sub-dimensions and Indicators

3 The international company listed on the stock exchange in Hong Kong includes companies incorporated in Chinese Mainland.

Dimension 2- Quality of Life

Table 13 outlines the sub-dimension and corresponding indicators under Dimension 2 -Quality of Life.

SUB - DIMENSION		WEIGHTING	INDICATOR	
2.1	Cost of Living	20.0%	1. Cost of Living Index	
			2. Cost of Housing and Rent	
			3. Consumer Price Level	
			4. Affordability of Living for Foreigners	S
			5. Personal Income Tax Rate	
2.2	Retail, Dining and Entertainment	20.0%	1. Variety of Retail, Dining and Entertainment Options	S
			2. Number of Michelin-starred Restaurants	
			3. Urban Green Space Coverage	
2.3	Public Services and Healthcare	20.0%	1. Density of Doctors (Physicians) per 10,000 Population	
			2. Quality and Accessibility of Healthcare Services	S
			3. Traffic Congestion Level	
			4. Metro/Rail Network	
2.4	Safety and Security	20.0%	1. Safety Level	
			2. Population Murder Index	
2.5	Sustainability Development	20.0%	1. Sustainable City Development	
			2. CO2 Emissions per Capita	
			3. Commitment to Global Climate Action Agenda	
			4. Satisfaction with Urban Living Environment	S

S denotes indicators from survey data

Table 13 Quality of Life Sub-dimensions and Indicators
Blue font represents the new indicators added

Dimension 3- Infrastructure and Connectivity

Table 14 outlines the sub-dimension and corresponding indicators under Dimension 3 -Infrastructure and Connectivity.

SUB - DIMENSION		WEIGHTING	INDICATOR	
3.1	External Connectivity - Air	20.0%	1. Number of Countries with Direct International Flights Connected	
			2. Annual International Passenger Traffic of Major Airports	
			3. Annual Air Cargo Traffic of Major Airport	
			4. Efficiency of International Airport Transportation	S
3.2	External Connectivity - Non-air	20.0%	1. Container Port Throughput	
			2. Container Port Performance	
			3. Efficiency of International Seaport Services	S
			4. Urban Mobility Readiness Index	
			5. Efficiency of Cross-border Road and Train Services	S
3.3	Logistics Efficiency for Business	20.0%	1. Logistics Performance Index	
			2. Ease of International Travel	S
3.4	Digital Connectivity	20.0%	1. Internet Users as a Percentage of Population	
			2. Weekly Online Shoppers as Percentage of Internet Users	
			3. Perceptions of Residents on Technological Provisions and Services Available to Inhabitants	
3.5	Information Exchange	20.0%	1. Number of International News Media Presence	
			2. Accessibility and Transparency of International Information	S
			3. Press Freedom Index	
			4. Availability of Market Insights on Emerging Markets	S
			5. Availability of Market Insights on Established Markets	S

S denotes indicators from survey data

Table 14 Infrastructure and Connectivity Sub-dimensions and Indicators

Dimension 4 - Innovation and Ideas

Table 15 outlines the sub-dimension and corresponding indicators under Dimension 4 -Innovation and Ideas.

	SUB - DIMENSION	WEIGHTING	INDICATOR	
4.1	Research and Innovation Investment	25.0%	1. Annual Funding Raised by Startups	
			2. Access to Financing and Capital for Research and Innovation	S
4.2	Knowledge and Innovation Exchange	25.0%	1. Number of International Patents	
			2. Number of Publications Published in Top Journals	
			3. Percentage of International Collaboration Publications Published in Top Journals[4]	
4.3	International Talent Attraction	25.0%	1. International Mobility of Research Talent[5]	
			2. Attractiveness to International Research and Tech Talent	S
4.4	Innovation Ecosystem	25.0%	1. Number of Unicorns	
			2. Government Support for Startups	S
			3. Openness to Disruptive Ideas within the Local Business Community	S

S denotes indicators from survey data

Table 15 Innovation and Ideas Sub-dimensions and Indicators

4 The international collaboration data in Hong Kong has included the collaboration with Chinese Mainland.

5 The international talent data in Hong Kong has included talents from Chinese Mainland.

Dimension 5 - Human Capital Diversity

Table 16 outlines the sub-dimension and corresponding indicators under Dimension 5 -Human Capital Diversity.

	SUB - DIMENSION	WEIGHTING	INDICATOR	
5.1	Population Diversity	33.3%	1. International Residents as Percentage of Population	
			2. Perceived Diversity in Population	S
5.2	Educational Resources	33.3%	1. Number of International High Schools per 100,000 Population	
			2. Number of World' s Top 300 Universities	
			3. Percentage of International Students in World' s Top 300 Universities	
5.3	Workforce Diversity	33.3%	1. Number of Foreign Workers per 100,000 Population	
			2. Availability of Attractive Job Opportunities for Foreigners	S
			3. Talents with Expertise in Emerging Markets	S
			4. Talents with Expertise in Established Markets	S
			5. Government Support for Foreign Workers	S
			6. Perceived Diversity in Workforce	S
			7. Multiple Language Proficiency	S

S denotes indicators from survey data

Table 16 Human Capital Diversity Sub-dimensions and Indicators

Dimension 6- Culture Interaction

Table 17 outlines the sub-dimension and corresponding indicators under Dimension 6 -Culture Interaction.

	SUB - DIMENSION	WEIGHTING	INDICATOR	
6.1	Cultural Exchange	33.3%	1. Number of Overnight International Visitors[6]	
			2. Number of International Exhibitions Recognised by UFI	
			3. Number of Conventions Recognised by ICCA	
			4. Openness to Diverse Cultures	S
			5. Openness to Diverse Religions	S
6.2	Cultural Facilities	33.3%	1. Number of Museums	
			2. Number of Stadiums	
			3. Satisfaction with Availability and Diversity of Cultural Amenities	S
			4. Satisfaction with Variety and Quality of Cultural and Entertainment Events	S
6.3	Resources for Visitors	33.3%	1. Number of Hotel Rooms	
			2. Availability of Public Facilities and Services for Visitors	S

S denotes indicators from survey data

Table 17 Culture Interaction Sub-dimensions and Indicators

6 The international visitors' data of Hong Kong has included the visitors from Chinese Mainland.

Dimension 7- Government and Legal System for Business

Table 18 outlines the sub-dimension and corresponding indicators under Dimension 7 -Government and Legal System for Business.

	SUB - DIMENSION	WEIGHTING	INDICATOR	
7.1	Effective and Efficient Government	33.3%	1. Government Effectiveness	
			2. Political Stability and Absence of Violence	
			3. Control of Corruption	
			4. Government Regulatory Enforcement	
			5. Government's Openness to Opinions from Foreign Individuals and Enterprises	S
7.2	Legal System for Business	33.3%	1. Judicial Independence	
			2. Enforcement of Contracts	
			3. Impartial Courts	
			4. Confidence in Court Litigation for Business Disputes	S
			5. Resources and Systems in Handling Alternative Dispute Resolution	S
7.3	International Presence	33.3%	1. Number of International Organisations	
			2. Number of Foreign Embassies and Consulates	
			3. Number of UN languages as Official Languages	
			4. Number of Visa-free Access to Global Destinations	
			5. Perception of City's Global Influence	S
			6. Perception of City's Regional Influence	S
			7. Perception of the City's Local Political Environment Impact on Business	S
			8. Perception of the City's Geopolitical Environment Impact on Business	S

S denotes indicators from survey data

Table 18 Government and Legal System for Business Sub-dimensions and Indicators

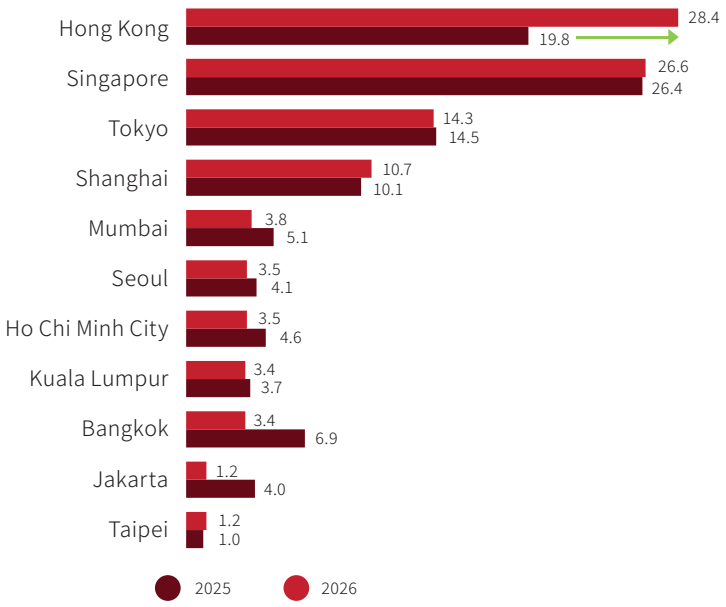
Green font represents the updated indicator

Blue font represents the new indicators added

5.2. Appendix 2- Selected Survey Results
Assessment of the residing cities (All respondents)

Top International City in Asia in 2025 vs. 2026 (%)

Hong Kong has climbed to first place among international Asian cities in the 2026 survey with 28.4%, a significant improvement from its 2nd place standing (19.8%) in 2025, reflecting markedly enhanced international perception. Singapore ranks second at 26.6%, having slipped slightly from its 2025 top position.

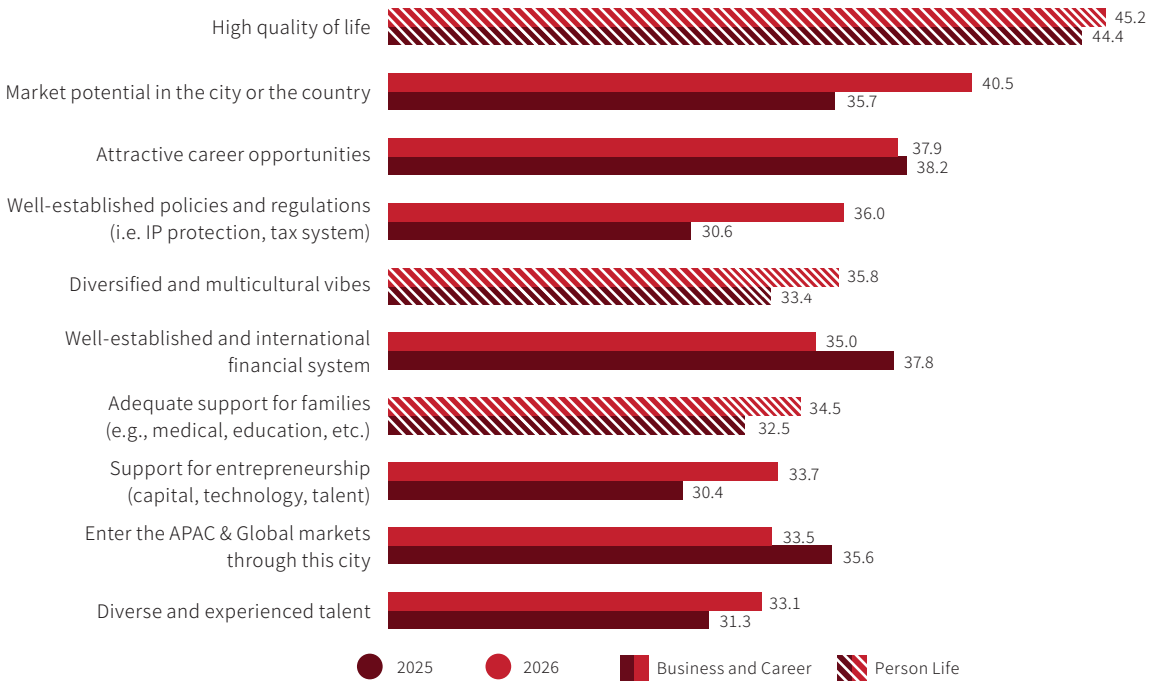


All respondents 2026: n = 1,111; 2025: n = 1,107

Figure 14 Top International City in Asia in 2025 vs. 2026

Top 5 Motivations to Move and Live in the city in 2025 vs. 2026 (%)

The motivation to reside in the current city is primarily driven by personal factors, such as a high quality of life (45.2%), both in the 2025 & 2026 surveys, followed by business and career considerations like market potential in the city or the country (40.5%) and attractive career opportunities (37.9%).

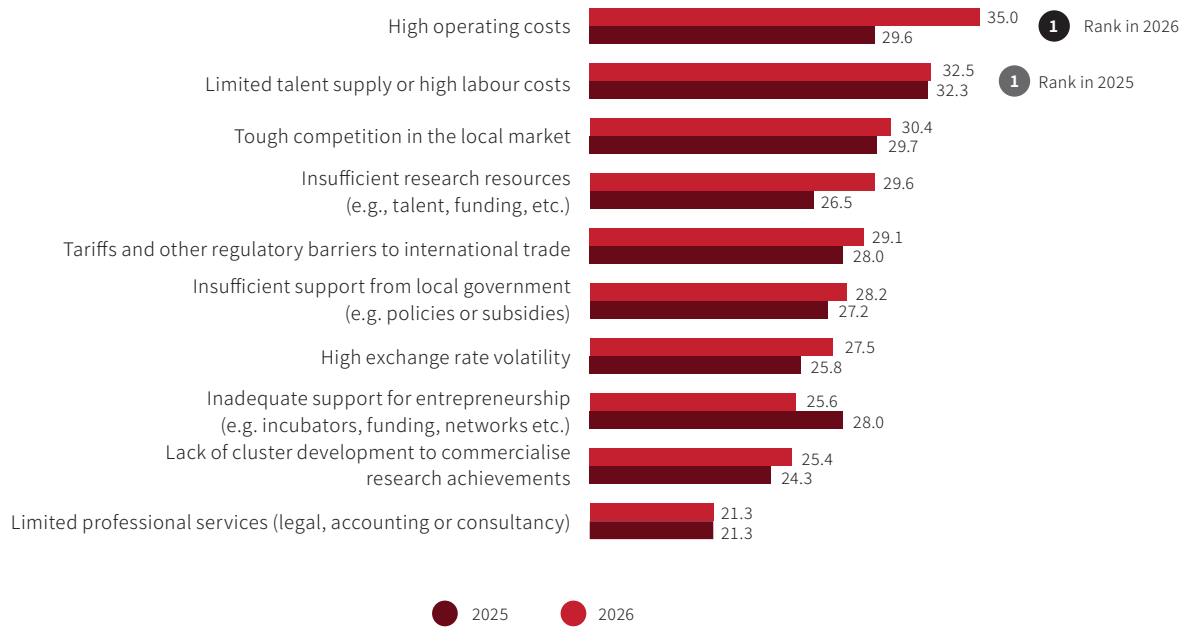


All respondents 2026: n = 1,111; 2025: n = 1,107

Figure 15 Motivation to move and live in the city in 2025 vs. 2026

Top 5 Business Challenges in the city in 2025 vs.2026 (%)

High operating cost (35.0%), limited talent supply or high labour costs (32.5%), and tough competition in the local market (30.4%) become the main barriers for business owners in 2026. Especially, concerns about high operating costs have risen significantly by 5.4% and overtake high labour costs (32.3%) as the major concern in 2025.

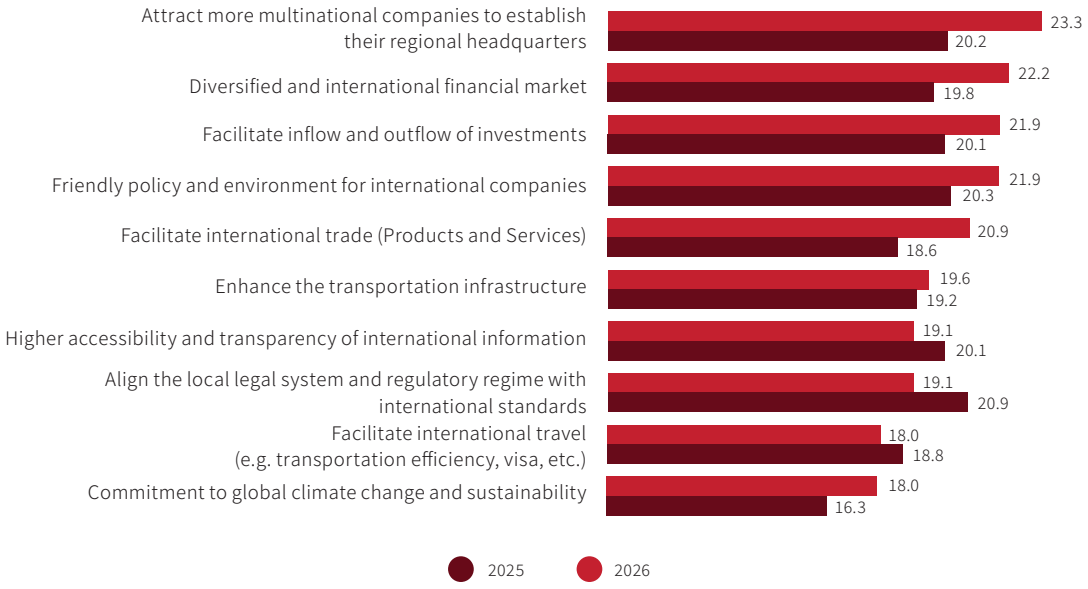


All respondents 2026: n = 1,111; 2025: n = 1,107

Figure 16 Business Challenges in the city in 2025 vs.2026

Improvement required for your Residing City in 2025 vs. 2026 (%)

According to the 2026 survey, the top ways to improve the city's internationalness are attracting more multinational companies to set up regional headquarters (23.3%), developing a diversified international financial market (22.2%), and establishing a friendly policy environment for international firms (21.9%). This marks a clear shift from the 2025 survey, which focused more on strengthening the government and legal system.



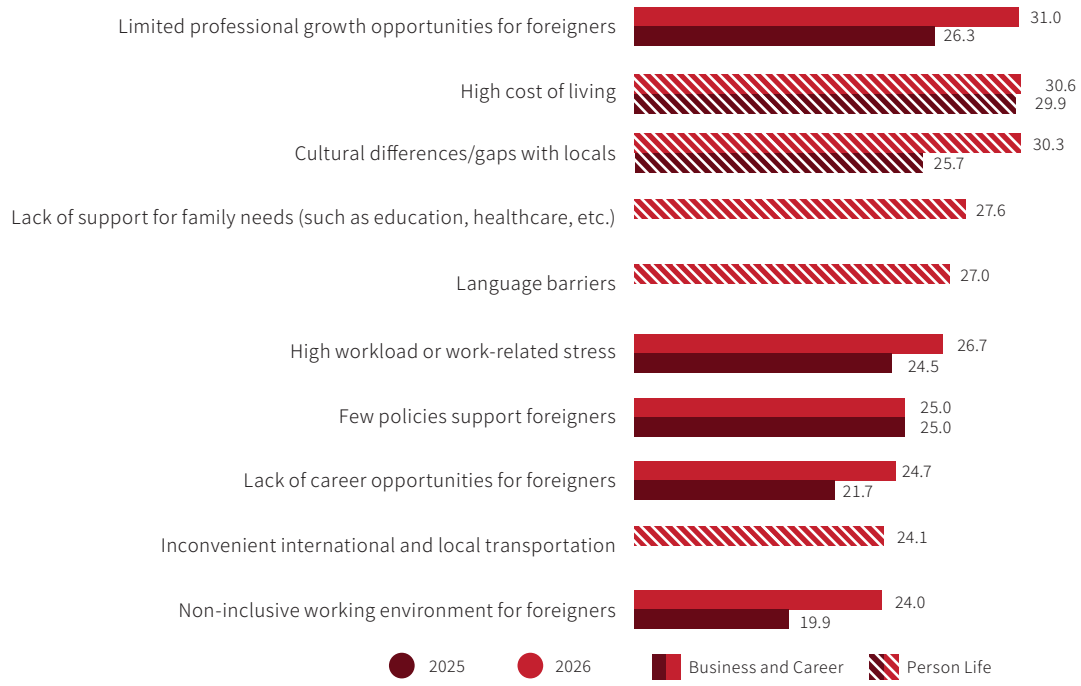
All respondents excluding "I don't know" 2026: n = 1,103; 2025: n = 1,088

Figure 17 Improvements required for your Residing City in 2025 vs. 2026

Assessment of the residing cities (Only Foreigners)

Top 5 Challenges as a Foreigner living in the City in 2025 vs. 2026 (%)

Personal life concerns — including the high cost of living (30.6%), cultural differences with locals (30.3%), family support needs, and language barriers — continue to be major issues for foreigners living in the city in both the 2025 and 2026 surveys. Meanwhile, business and career-related factors, especially limited professional growth opportunities (31.0%), rose by almost 5% and became the leading concern in 2026.



Foreigner only 2026: n = 555; 2025: n = 552

Figure 18 Challenges as a Foreigner Living in the City in 2025 vs. 2026

5.3 Methodology

Step 1: Framework Development

An extensive literature review and desktop research were conducted to define the concept of an international city. Relevant city indices developed by think tanks, research institutions, international bodies, and academics were reviewed to establish the conceptual model and evaluation framework. The framework was further evaluated and reviewed by economic and urban development experts

Step 2: Hard Data Collection

Once the framework and relevant indicators were developed, data were collected from sources such as government statistics, corporate reports, research institutes, and private databases. Any missing data was supplemented with alternative sources. Hard data reflects the city' s fundamental parameters, while soft data captures respondents' perceptions and expectations of the city.

Step 3: Executives Survey

A survey was conducted to capture perceptions of international development in cities and identify motivations and barriers for executives to reside there. Responses from around 100 participants per city were collected, evenly divided between local residents with single permanent citizenship and foreign residents who have lived and worked in the city for at least two years. In total, 1,111 executives responded to the survey, which was administered using an online survey tool.

Respondent Eligibility Criteria:

- Senior executives (e.g. owners, business partners, general managers, directors, heads of business units, or senior managers).
- Lived and worked in at least one of the 11 selected Asian cities over the last two years.
- Experience living, working, or conducting business in at least three selected cities.
- For foreign respondents, at least half were permanent residents of developed economies (e.g., the United States, Europe, or Oceania).

The sample size reflected the economic structure of the cities.

- At least 30% of respondents were from companies with fewer than 100 employees, 30% from companies with over 100 employees, and the remainder were captured through natural distribution.
- Sample proportions also matched the GDP contribution of each sector in the respective countries.
  - Manufacturing
  - Business, financial and other professional services
  - Trade, transportation, logistics and aviation
  - Construction, real estate, and construction services
  - Hospitality, food & beverage, and retail
  - Technology, media and telecommunication services
  - Healthcare and Medical Services
  - Academics and research institutes

Step 4: Data Treatment and Index Computation Methodology

The data standardisation and index computation methods reference the methodology used in the World Economic Forum's (WEF) "The Global Competitiveness Study, " the China Institute for Development Planning of Tsinghua University's "International Exchange Centre Index," and the IMD Business School's "World Competitiveness Yearbook."

Weight Design

The weight of dimensions and sub-dimensions is designed according to the literature reviews, expert interviews, and executive survey. Equal weight is applied to the sub-dimensions within each dimension, and to the indicators within each sub-dimension.

Selection of Indicator

To reduce the number of missing data that require further estimation, only data sources with available data from nine or more cities are selected as indicators.

Imputation of Missing Data

Less than 2% of the data is missing, and the following methods are adopted for imputing missing data.

- Method 1: Regression Estimation. Peer city data (data from other selected cities for the study or other Asian cities) are selected to generate a linear regression formula. The best estimate model is adopted only if an R-squared value of 60% or higher is achieved.
- Method 2: Compound Annual Growth Rate (CAGR) Estimation. Use past years' data from the city or peer group cities to calculate the CAGR and estimate the data for the most recent year.
- Method 3: Average Mean. The average mean of data from other selected cities is used to estimate the missing data.

Data Transformation Principle

Logarithmic transformation is applied to compress the scale of large numbers and reduce the skewness. Additionally, dividing the data by a constant, such as per 100,000 population, standardises the values, allowing for fair comparisons among the cities regardless of their population sizes.

The interquartile range (IQR) method is used to identify outliers. Once an outlier is identified, a 90% winsorisation method is applied to replace the extreme value in calculating the normalised score.

Standardisation of data

Min-max normalisation is applied to each indicator to standardise the differing measurement scales. In addition, reverse normalisation will also be applied for variables where higher values indicate worse outcomes. For Hard Data, the maximum value corresponds to the best score of the selected city, and the minimum value is the lowest possible value of the indicator. For Survey Data, the frontier and worst values are always 7 and 1, corresponding to the two extreme answers to any question. The highest possible score on the scale equals 100.

$$Score = \frac{X_c - X_{min}}{X_{max} - X_{min}} \times 100$$



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The Asian Cities Internationality Index 2026
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